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FORTY-NINTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

LEHIGH VALLEY RAILROAD COMPANY

TO THE

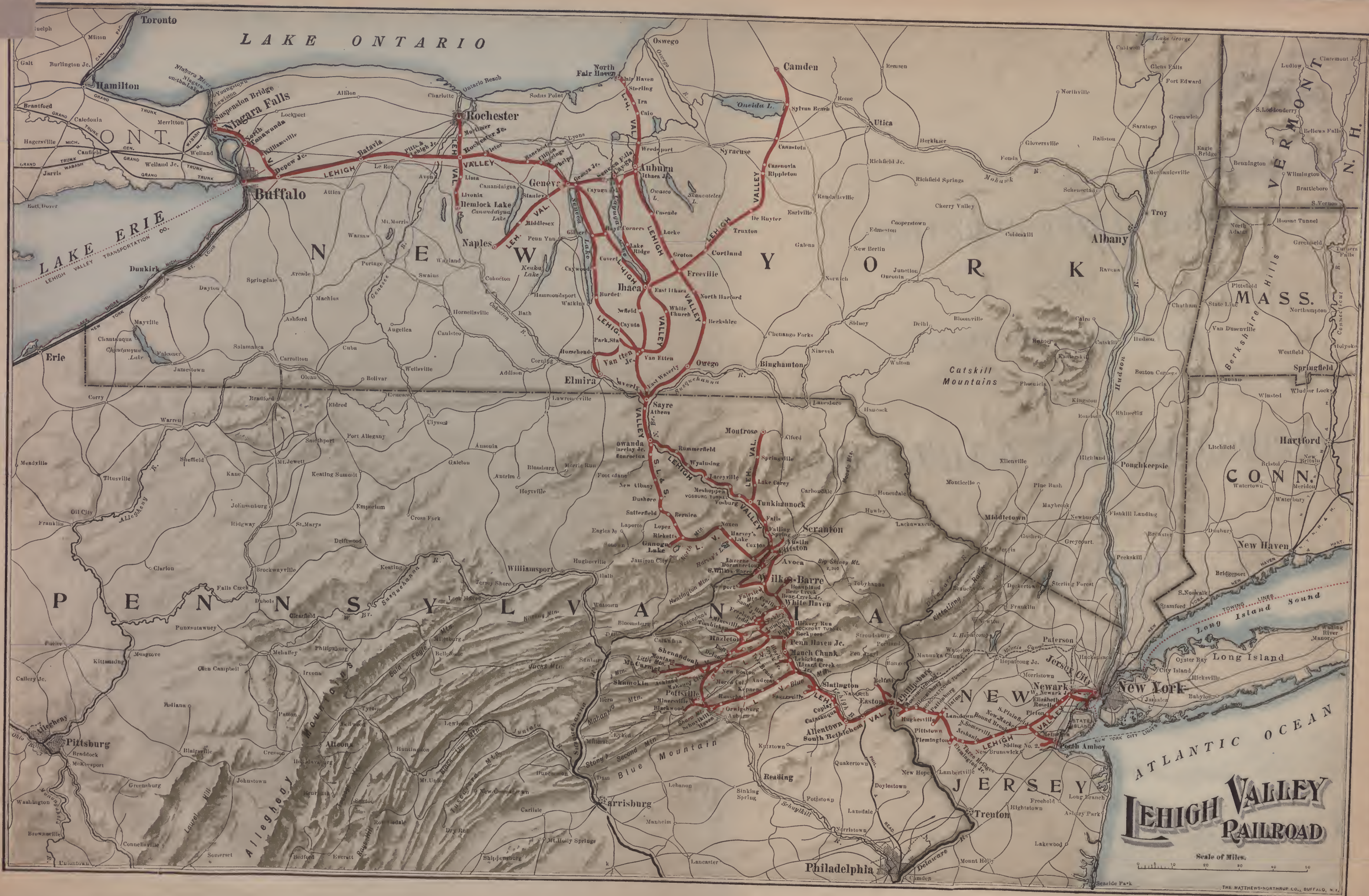
STOCKHOLDERS.

FISCAL YEAR ENDED JUNE 30TH, 1903.

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PRESS OF ALLEN, LANE & SCOTT, PHILADELPHIA.





# LEHIGH VALLEY RAILROAD

Scale of Miles.

THE MATTHEWS-NORTHROP CO., BUFFALO, N.Y.

WATERWAYS OF THE





# FORTY-NINTH ANNUAL REPORT

OF THE

BOARD OF DIRECTORS

OF THE

# LEHIGH VALLEY RAILROAD COMPANY

TO THE

## STOCKHOLDERS.

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FISCAL YEAR ENDED JUNE 30TH, 1903.



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# LEHIGH VALLEY RAILROAD COMPANY.

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*Second Vice-President,*

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*Assistant to the President,*

J. W. PLATTEN.

G. N. WILSON, *General Auditor.*

W. C. ALDERSON, *Treasurer.*

D. G. BAIRD, *Secretary.*



# FORTY-NINTH ANNUAL REPORT.

PHILADELPHIA, September 30th, 1903.

*To the Stockholders of the Lehigh Valley Railroad Company:*

The Board of Directors herewith submit the forty-ninth annual report of the business of your Company and its allied interests for the fiscal year ended June 30th, 1903.

## MILEAGE.

The mileage of railroads owned and operated by the Lehigh Valley system, the main line of which extends from Jersey City, N. J., to Buffalo, N. Y., is as follows:—

	MILES.
Owned, or controlled by ownership of entire capital stock . . . . .	988.62
Controlled by ownership of majority of capital stock . . . . .	325.74
Controlled by leases . . . . .	27.88
Total mileage operated (owned and controlled) . . . . .	1,342.24
Trackage rights over railroads owned by other companies . . . . .	49.37
Total mileage operated . . . . .	1,391.61
Easton and Northern Railroad, owned . . . . . 12.78 miles	. . . . .
Operated by this Company . . . . . 4.64 "	. . . . .
	8.14
Total mileage . . . . .	1,399.75

—of which 573.62 miles, or 40.98 per cent., have second track, 18.97 miles have third track. There are also 972.22 miles of yard tracks and sidings on the system.

The increase of .15 miles of first track and .58 miles of second track was due to minor extensions.

The mileage of the National Docks Railway, amounting to 8.43 miles of first track and 7.86 miles of second track, is shown under the heading of "Owned by Lehigh Valley Railroad or Controlled by Ownership of Entire Capital Stock," the Company having acquired the entire capital stock. (See Table 1.)

## EARNINGS AND EXPENSES.

The following statement shows the gross earnings, expenses, and net earnings from operations for the fiscal year, entire system, not including water lines.

For comparative purposes, similar figures are also given for the fiscal year of 1902.

### GROSS EARNINGS.

FROM	1903.	1902.	INCREASE.	DECREASE.
Coal . . . . .	\$10,104,764 40	\$9,328,959 09	\$775,805 31	. . . . .
Other freight . . . . .	11,609,706 36	9,627,286 35	1,982,420 01	. . . . .
Passenger . . . . .	3,191,638 63	3,664,820 27	. . . . .	\$473,181 64
Express . . . . .	278,399 62	256,107 08	22,292 54	. . . . .
Mail . . . . .	204,659 92	204,748 46	. . . . .	88 54
Miscellaneous . . . . .	1,265,334 33	838,046 70	427,287 63	. . . . .
Total earnings . . . . .	\$26,654,503 26	\$23,919,967 95	\$2,734,535 31	. . . . .

## OPERATING EXPENSES.

FOR	1903.	1902.	INCREASE.	DECREASE.
Maintenance of way and structures . . .	\$4,099,168 88	\$3,689,987 12	\$409,181 76	
Maintenance of equipment . . . . .	4,694,395 07	4,654,257 50	40,137 57	
Conducting transportation . . . . .	9,567,083 09	8,898,286 97	668,796 12	
General expenses . . . . .	619,532 62	738,667 14		\$119,134 52
Total expenses . . . . .	\$18,980,179 66	\$17,981,198 73	\$998,980 93	
Net earnings from operations . . . . .	\$7,674,323 60	\$5,938,769 22	\$1,735,554 38	
Percentage, operating expenses to gross earnings . . . . .	71.21	75.17		3.96

The gross revenue from transportation of your railroad lines amounted to twenty-six million six hundred and fifty-four thousand five hundred and three dollars and twenty-six cents (\$26,654,503.26), an increase of two million seven hundred and thirty-four thousand five hundred and thirty-five dollars and thirty-one cents (\$2,734,535.31), or 11.43 per cent., over the preceding twelve months, while the operating expenses amounted to eighteen million nine hundred and eighty thousand one hundred and seventy-nine dollars and sixty-six cents (\$18,980,179.66), being an increase of nine hundred and ninety-eight thousand nine hundred and eighty dollars and ninety-three cents (\$998,980.93), or 5.56 per cent., over last year.

The ratio of expenses to earnings was 71.21 per cent., being a decrease as compared with the last fiscal year of 75.17 per cent.

## EARNINGS.

## MERCHANDISE FREIGHT.

The earnings from transportation of merchandise freight amounted to eleven million six hundred and nine thousand seven hundred and six dollars and thirty-six cents (\$11,609,706.36), being one million nine hundred and eighty-two thousand four hundred and twenty dollars and one cent (\$1,982,420.01), or 20.59 per cent., in excess of last year.

The tonnage moved, exclusive of Company's material, was 10,495,914 tons, an increase of 1,244,474 tons, or 13.45 per cent., as compared with the previous year.

The number of tons carried one mile amounted to 2,271,677,301, an increase of 129,175,268, or 6.03 per cent.

The average haul decreased from 231.59 to 216.43 miles, or 6.55 per cent.

The percentage of earnings derived from transportation of merchandise freight to gross earnings was 43.56 per cent., as compared with 40.25 per cent. during the previous year, or an increase of 3.31 per cent.

The items transported consisted principally of—

Grain and hay,	Miscellaneous merchandise,
Flour and other mill products,	Lumber,
Fruit and vegetables,	Cement, brick, and lime,
Live stock,	Iron and iron products,
Dressed meats and packing-house products,	Ores,
Stone, sand, and like articles.	

Company's material amounting to 421,886 tons was transported during the year, being an increase of 60,122 tons, or 16.62 per cent.

**COAL.**

9,424,218 tons of coal and coke, not including supply coal, were transported by the Company during the year, being an increase of 500,772 tons, or 5.61 per cent., over the previous year.

The tons carried one mile amounted to 1,360,804,158, an increase of 84,421,402, or 6.61 per cent.

The total revenue derived amounted to ten million one hundred and four thousand seven hundred and sixty-four dollars and forty cents (\$10,104,764.40), being an increase of seven hundred and seventy-five thousand eight hundred and five dollars and thirty-one cents (\$775,805.31), or 8.32 per cent.

The coal tonnage of the Company represented 47.31 per cent. of the total tonnage hauled during the year, as against 49.10 per cent. for the previous year, being a decrease of 1.79 per cent. The percentage of earnings to gross earnings being 37.91 per cent., a decrease of 1.09 per cent. from the previous year.

The average haul increased from 143.04 miles to 144.39 miles, being 1.35 miles, or .94 per cent.

**GENERAL FREIGHT TRAFFIC.**

The entire freight traffic of the Company, including both merchandise and coal, amounted to 19,920,132 tons, being an increase of 1,745,246, or 9.60 per cent., as compared with the previous twelve months.

Tons carried one mile amounted to 3,632,481,459, an increase of 213,596,670, or 6.25 per cent.

The revenue derived was twenty-one million seven hundred and fourteen thousand four hundred and seventy dollars and seventy-six cents (\$21,714,470.76), an increase of two million seven hundred and fifty-eight thousand two hundred and twenty-five dollars and thirty-two cents (\$2,758,225.32) or 14.55 per cent.

The average revenue per ton was 109.01 cents, as against 104.30 cents for the previous year, an increase of 4.71 cents, or 4.52 per cent.

The average distance carried was 182.35 miles, as compared with 188.11 the previous year, being a decrease of 5.76 miles, or 3.06 per cent.

In addition to the above tonnage, Company's freight amounting to 1,720,461 tons was transported, a decrease of 101,234 tons, or 5.56 per cent., as compared with the previous year.

The freight train mileage amounted to 7,481,675 miles, an increase of 157,991 miles, or 2.16 per cent., while the volume of tonnage increased, as shown above, 9.60 per cent.

The revenue received per freight train mile was \$2.90, as compared with \$2.59 for the previous year, being an increase of 31 cents, or 12.13 per cent.

The average train load of revenue freight was 485.52 tons, an increase of 18.69 tons, or 4.00 per cent., the train load last year being 466.83 tons. Including Company's freight, the average train load reached 509.79 tons, as against 487.82 tons last year, an increase of 21.97 tons, or 4.50 per cent.

The average number of tons of revenue freight in each loaded car was 19.44 tons, an increase of .02 tons, or .10 per cent., as compared with the previous year. Including Company's freight, the average carload on the system was 20.41 tons, an increase of .12 tons, or .58 per cent., over the previous year.

**PASSENGER TRAFFIC.**

The revenue from passenger traffic amounted to three million one hundred and ninety-one thousand six hundred and thirty-eight dollars and sixty-three cents (\$3,191,638.63), a decrease of four hundred and seventy-three thousand one hundred and eighty-one dollars and sixty-four cents (\$473,181.64), or 12.91 per cent., compared with the previous year.

The total number of passengers carried was 4,148,477, a decrease of 160,020, or 3.71 per cent.

While the results for the year are not entirely satisfactory, it may be explained that the decrease occurred during the first five months of the fiscal year and was due to the heavy travel incident to the Pan-American Exposition during the same months of the previous year. The last seven months of the year compared with the same period of the year previous, and subsequent to the Exposition, shows an increase of eighty-three thousand four hundred and ninety-two dollars and fourteen cents (\$83,492.14), or 5.14 per cent.

The average revenue paid by each passenger was 76.94 cents, a decrease of 8.12 cents, or 9.54 per cent.

The average revenue per passenger per mile increased 1.19 mills, or 6.77 per cent.

The average distance traveled was 41.01 miles, a decrease of 7.40 miles, or 15.28 per cent.

The miles traveled decreased 38,443,562, or 18.43 per cent.

Miles run by passenger trains amounted to 4,076,224, a decrease of 211,900 miles, or 4.94 per cent.

The earnings from passengers per passenger train mile were 84.65 cents, a decrease of 7.36 per cent.; the average number of passengers in each train was 45.12, a decrease of 13.23 per cent.; and the average number of passengers in each car was 15.83, a decrease of 9.85 per cent.

**EXPRESS.**

The revenue received by the Company from express traffic amounted to two hundred and seventy-eight thousand three hundred and ninety-nine dollars and sixty-two cents (\$278,399.62), being twenty-two thousand two hundred and ninety-two dollars and fifty-four cents (\$22,292.54) greater than the preceding year.

**MAIL.**

The transportation of the United States mails added the sum of two hundred and four thousand six hundred and fifty-nine dollars and ninety-two cents (\$204,659.92) to the Company's earnings, a decrease as compared with last year of eighty-eight dollars and fifty-four cents (\$88.54).

**RENTS AND MISCELLANEOUS EARNINGS.**

The total revenue from these sources amounted to one million two hundred and sixty-five thousand three hundred and thirty-four dollars and thirty-three cents (\$1,265,334.33), being an increase of four hundred and twenty-seven thousand two hundred and eighty-seven dollars and sixty-three cents (\$427,287.63) over the preceding twelve months. These accounts include the earnings from trackage, car service, hire of equipment, &c., details of which are shown in Table 7.

## EXPENSES.

### MAINTENANCE OF WAY AND STRUCTURES.

The expenditures made for Maintenance of Way and Structures during the year were four million ninety-nine thousand one hundred and sixty-eight dollars and eighty-eight cents (\$4,099,168.88), an increase of four hundred and nine thousand one hundred and eighty-one dollars and seventy-six cents (\$409,181.76), or 11.09 per cent., as compared with the previous year.

The general condition of the roadway and structures was fully maintained and greatly improved.

New passenger and freight stations were erected at Spencer and Alpha, a new passenger and a new brick freight station at Mauch Chunk, a shelter-house and platform at Depew Junction, a transfer house at East Buffalo, and storage supply houses at Sayre, East Buffalo, and Mahoning.

Extensions were made to the waiting-room at Willard, to the freight station at McAdoo, Division Engineer's office at Jersey City, and the stations at Allentown and Easton were generally overhauled.

Heavy repairs were made to the ore dock at Tifft Farm, including the replacement of the portion destroyed by fire, and a concrete floor placed in the Duluth freight house at the same point.

A 63,000-gallon water tank was erected at Pattenburg, together with the necessary pumping outfit, piping, &c. The water tank at Sayre was relocated. An 8-inch standard water crane was installed at Mt. Carmel.

During the year 17 steel bridges, displacing lighter metal structures, and 11 steel bridges, displacing wooden bridges, were erected; 7 metal bridges were replaced by pipe or arch culverts; 1 iron bridge was filled in; 35 wooden bridges or trestles were filled in or replaced by pipe; 4 arch culverts were replaced with smaller arches, iron bridges, or pipes.

175.06 miles of track were fully ballasted and 1.49 miles partially ballasted, for which purpose 383,753 cubic yards of crushed stone and 46,198 cubic yards of screenings were used.

133,131.6 feet, or 25.21 miles, of Company's sidings and 27,750 feet, or 5.25 miles, of private sidings were constructed.

New interlocking plants were put into operation, at Newark Bay Trestle of 12 levers, at Phillipsburg of 56 levers, and at Sayre of 32 levers. The plant at East End Oak Island Yard was increased by 24 levers, at Easton Cut by 16 levers, at Lumber Yard by 8 levers, at South Easton by 8 levers, and at Van Etten by 3 levers. 63 gas semaphore signals were installed. 43 slotted signals were put in at interlocking plants. With these additions there was at the close of the fiscal year 98.12 per cent. of main track protected by automatic signals.

43.76 miles of telegraph pole line were rebuilt, 44.67 miles of copper and 6.13 miles of iron wire were used in extending existing telegraph and telephone wires, and 107.70 miles of copper and 51.27 miles of iron wire were used in replacing worn-out wire in telegraph, telephone, and signal circuits.

Seventy-five-foot gasoline motor turntables were installed at Coxton and Manchester, respectively, displacing 64-foot tables, one of which was relocated at Owego.

New 90-pound steel rail to the extent of 11,265 tons, together with necessary frogs, switches, &c., was placed in the track.

115,320 tie plates were used.

886,895 cross-ties, 1,454,170 feet B. M. switch ties, and 594,409 feet B. M. bridge ties and lumber amounting to 3,743,658 feet were used during the year.

Crossing gates were erected at one crossing and electric alarm bells at four crossings.

## MAINTENANCE OF EQUIPMENT.

There was expended during the year the sum of four million six hundred and ninety-four thousand three hundred and ninety-five dollars and seven cents (\$4,694,395.07), being an increase of forty thousand one hundred and thirty-seven dollars and fifty-seven cents (\$40,137.57), or .86 per cent., as compared with the previous year.

The general condition of the locomotive equipment has materially improved during the year.

The number of locomotives in service in good working order at the end of the fiscal year was 68.71 per cent., an increase of 2.41 per cent. over the previous period.

Seven new tenders were purchased; 11 consolidation locomotives and 3 ten-wheel freight locomotives were rebuilt. Twenty-seven new tender frames, 19 sets tender trucks, 16 new tender cisterns, and 54 fire-boxes were applied to locomotives during the year.

Six hundred and nineteen locomotives received general repairs during the year, an increase of 76, or 14 per cent.

Sixteen locomotives, unfit for further service and too light to warrant rebuilding, were dismantled during the year and Operating Expenses charged with their value. Two light locomotives were sold.

Eighty-three locomotives were equipped with pilot couplers and 32 with tender couplers.

The number of locomotives now equipped with automatic couplers is 97.12 per cent., and with air brakes 99.35 per cent.

The average tractive power per locomotive at the end of the year was 23,347 pounds, an increase of 136 pounds, or .59 per cent.

The average mileage made by passenger locomotives was 46,125 miles, a decrease of 91 miles, or .20 per cent., and in freight service 29,177 miles, an increase of 1,448 miles, or 5.22 per cent.

The cost per locomotive mile increased 2.57 cents, due principally to the increased cost of fuel.

The cost per 1,000 tons hauled one mile (including the weight of train) was 45.61 cents, a decrease of 5.8 mills, or 1.26 per cent., as compared with last year.

381 passenger equipment cars were painted and varnished during the year; 13 were equipped with standard platforms, 6 with wide vestibules, and 3 with Pintsch gas.

4,050 freight equipment cars received heavy repairs during the year.

The total number of freight equipment cars in service at the end of the year was 35,057, with 1,028,117 tons capacity, an increase of 481 cars and 28,116 tons capacity.

Air brakes were applied to 48 cars; the number now so equipped is 64.15 per cent. All cars are equipped with safety couplers.

Four passenger equipment cars, 284 freight equipment cars, and 20 Company's service cars (including 8 cabooses) were destroyed during the year and their value charged to Operating Expenses.

Thirty-eight four-wheel cabooses were built at Packerton Shop.

There were purchased and put in service during the year under Equipment Trust "G": One hundred and thirty-five 80,000-pounds capacity box cars, five hundred 100,000-pounds capacity low-side steel gondolas, one hundred 100,000-pounds capacity steel coal cars, ten 80,000-pounds capacity produce cars, ten wide-vestibule coaches, five 60-foot baggage and express cars, and ten milk cars. Two dining cars were purchased and charged to Equipment Renewal Reserve Account.

A reserve fund of six hundred and sixty-five thousand seven hundred and seventy-four dollars and sixty-five cents (\$665,774.65), created by credits arising from charging expenses with the value of locomotives and cars torn down, is available and may be used for replacement purposes.

## CONDUCTING TRANSPORTATION.

Nine million five hundred and sixty-seven thousand eighty-three dollars and nine cents (\$9,567,083.09) were expended in conducting transportation throughout the year, being an increase of six hundred and sixty-eight thousand seven hundred and ninety-six dollars and twelve cents (\$668,796.12), or 7.52 per cent., as compared with the previous year.

The increase is due principally to the greater amount of freight traffic handled, the increased consumption and cost of fuel, and the increase in rates of wages paid for labor. Freight train mileage increased 2.16 per cent. Tons carried one mile increased 6.25 per cent. The average price of coal per ton increased 13.24 per cent., and the total consumption 1.18 per cent. The increased cost of fuel alone amounted to \$273,214.57.

Another feature which served to unfavorably affect the cost of transportation is the fact that the coal tonnage transported for the first five months of the fiscal year—July to November, inclusive—decreased 2,638,770 tons, or 59.64 per cent., and the tons carried one mile decreased 421,206,245, or 64.07 per cent., while for the four Winter months—December to March, inclusive—when the cost of transportation is more expensive, the tonnage increased 1,535,565 tons, or 52.78 per cent., and the tons carried one mile 262,591,162, or 63.63 per cent., as compared with the same periods of the previous year.

Notwithstanding the above, the ratio of Conducting Transportation to Gross Earnings decreased by 1.31 per cent., from 37.20 per cent. last year to 35.89 per cent. this year.

## GENERAL EXPENSES.

This account shows a decrease for the year of \$119,134.52, the total expenditure being \$619,532.62.

## TAXES.

The taxes paid by the Company during the year amounted to \$613,405.53, or 2.30 per cent. of the Company's gross earnings.

## FLOATING EQUIPMENT.

There has been no change in the number or character of the vessels comprising the fleet of the Lehigh Valley Transportation Company, which consists of the following lake steamers:—

NAME.	CAPACITY.
"Wilkes-Barre" . . . . .	6,000 tons.
"Mauch Chunk" . . . . .	6,000 "
"E. P. Wilbur" . . . . .	3,000 "
"Seneca" . . . . .	3,000 "
"Saranac" . . . . .	3,000 "
"Tuscarora" . . . . .	3,000 "

The Company's floating equipment in New York Harbor at the close of the fiscal year consisted of—

137 barges,	21 car floats,	2 dredges,
21 tugs,	5 steam lighters,	1 wrecking boat.

During the year 9 covered barges and 4 canal boats were added to the equipment, and 1 barge, 13 canal boats, and 8 scows were sold or condemned.

By the acquisition of the National Storage Company, the floating equipment was increased by 15 barges, 1 steam lighter, and 2 dredges.

The necessary repairs have been made during the year and the Company's floating equipment is in good condition.

**EQUIPMENT TRUSTS AND MARINE OBLIGATIONS.**

The following statement shows the Equipment Trusts and marine obligations of your Company:—

Equipment Trust obligations, June 30th, 1902 . . . . .	\$5,559,000 00
Certificates issued during the year:—	
Equipment Trust "G" . . . . .	800,000 00
	<u>\$6,359,000 00</u>
Deduct certificates paid and canceled during the year:—	
Equipment Trust, Series "A," "B," "C," "D," "E," and "F" . . . . .	812,000 00
Total Equipment Trust obligations Lehigh Valley Railroad Company, June 30th, 1903 . . . . .	\$5,547,000 00
Lehigh Valley Transportation Company of New Jersey:—	
Maritime mortgage bonds outstanding June 30th, 1902 . . . . .	\$605,000 00
Paid during the year . . . . .	120,000 00
Outstanding June 30th, 1903 . . . . .	485,000 00
Total Equipment Trusts and marine obligations . . . . .	<u>\$6,032,000 00</u>
A decrease of . . . . .	<u>\$132,000 00</u>

**CAPITAL STOCK.**

The amount of capital stock issued remains unchanged, and consists of:—

806,696 shares common stock, par \$50 . . . . .	\$40,334,800 00
2,126 shares preferred stock, par \$50 . . . . .	106,300 00
Total capital stock . . . . .	<u>\$40,441,100 00</u>

**INCOME ACCOUNT.**

The income account, Table No. 2, published herewith, shows the sources of the Company's income for the year, as follows:—

Gross Earnings from Operations . . . . .	\$26,654,503 26
Operating Expenses . . . . .	18,980,179 66
Net Income from Operations . . . . .	\$7,674,323 60
Other Income . . . . .	604,924 86
Total Income . . . . .	<u>\$8,279,248 46</u>
Deductions from Income:—	
Interest on Bonds, Taxes, and other deductions . . . . .	\$5,901,477 28
Additions and Improvements . . . . .	1,266,182 09
	<u>7,167,659 37</u>
Net Income Lehigh Valley Railroad Company . . . . .	\$1,111,589 09
Net Income Lehigh Valley Coal Company and affiliated Coal Companies . . . . .	895,918 46
Total Net Income . . . . .	<u>\$2,007,507 55</u>

## COAL COMPANIES.

The consolidated general balance sheet of the Coal Companies is published herewith, Table 17, showing their financial condition. The subjoined statement shows the funded debt of The Lehigh Valley Coal Company in the hands of the public, and the yearly interest charges thereon:—

NAME.	PRINCIPAL.	DATE OF MATURITY.	YEARLY INTEREST.		
			Rate.	When Due.	Amount.
LEHIGH VALLEY COAL CO.:—					
First mortgage bonds, issue of 1892 . . . . .	\$10,114,000	Jan. 1st, 1933 .	5% gold .	Jan. and July .	\$505,700 00
Snow Shoe mortgage . . . . .	367,000	Jan. 1st, 1910 .	5% . . .	“ “	18,350 00
5-10 year coal pledge bonds .	2,000,000	Dec. 1st, 1912 .	5% gold .	June and Dec.	*100,000 00
Delano Land Co., first mortgage . . . . .	1,089,000	Jan. 1st, 1932 .	5% gold .	Jan. and July .	54,450 00
Total June 30th, 1903 . .	\$13,570,000	. . . . .	. . . . .	. . . . .	\$678,500 00

\* Annual interest, \$100,000; \$53,333.33 is amount paid during fiscal year since issue of bonds.

The total production of anthracite coal from the lands owned and controlled by The Lehigh Valley Coal Company and the minor companies in which it and the Lehigh Valley Railroad Company are interested, through ownership of stock, was 5,936,016.12 tons for the fiscal year ended June 30th, 1903, as against 5,620,872.06 tons for the previous year, an increase of 315,144.06 tons, or 5.61 per cent. The sources from which this tonnage was derived, for the fiscal years 1900-1, 1901-2, and 1902-3, were as follows:—

	1902-3	1901-2	1900-1
Lehigh Valley Coal Company . . . . .	3,531,677.01	3,049,755.12	3,323,977.02
Tenants of Lehigh Valley Coal Company . . . . .	1,280,416.02	1,250,302.01	1,281,543.10
Minor Companies . . . . .	1,123,923.09	1,320,814.13	1,173,646.05
Total . . . . .	5,936,016.12	5,620,872.06	5,779,166.17

The increased tonnage was due chiefly to the depleted condition of the market following the long strike of 1902, enabling the collieries to maintain a steady production since the resumption of operations, and to the improved physical condition of the mines as compared with their condition immediately following the disastrous floods of the previous year.

The collieries operated by The Lehigh Valley Coal Company and affiliated coal companies produced during the year 56.77 per cent. of the coal transported by our Company, being an increase of more than 10 per cent. over the previous year.

From the operations on the Snow Shoe property there were mined 314,195.03 tons, as against 376,239.07 tons.

During the year there has been expended for improvements and additions to collieries, and charged to income, the sum of \$353,465.29, and it is contemplated to spend a much larger sum during the current year. The majority of this expenditure will be in the Wyoming region, with the hope of increasing the tonnage of a district in which the largest advance royalties now exist. The advance royalty account shows an increase in the debtor balance of \$160,208.23, against an increase of \$285,519.86 for the previous year. The total now stands, as of June 30th, 1903, at \$5,401,042.48.

At the close of the anthracite strike, in October, 1902, the Coal Company found its working capital depleted, and, in order to provide funds, bonds to the amount of \$2,000,000 were issued, secured by an agreement with the Girard Trust Company, Trustee, dated November 21st, 1902, under the terms of which the Trust Company acts as Commercial Agent of the Coal Company, and the latter Company pledged with and transferred to the Trustee its stock of mined and prepared merchantable anthracite coal now or hereafter on hand, in stock, or in transit, and all coal accounts, bills receivable, and notes representing anthracite coal sold. These bonds are for \$1,000 each, and can be retired at any interest period, on thirty days' notice, at 102½ and accrued interest.

A thorough investigation, made during the past year by a Committee of independent experts, showed conclusively that the Company's coal properties had been heretofore carried at a valuation far below their actual present value, and that the value of these properties had further been largely increased by extraordinary expenditures in recent years, which had been included in Operating Expenses, and might properly have been charged to Capital Account. As the result of the report of this Committee, the valuation put upon our coal properties has been increased \$3,500,000, and this amount credited to Profit and Loss.

Through the operation of the sinking funds embraced in the several mortgages of the Coal Company, all its outstanding bonds will be retired at or before maturity, with the exception of the above \$2,000,000 Coal Pledge Bonds, which it is expected will be otherwise provided for.

## FINANCIAL.

In the annual report for the year 1902 the following statement was made:—

"In the annual reports for the years 1900 and 1901, reference was made to the necessity for procuring additional capital to provide funds to place the property of your Company and its auxiliary companies at a standard of efficiency and economical working, with due consideration for the character of traffic transported, a very large proportion being hauled at exceedingly low rates. Much work of this character remains to be done, and although it will be necessary to provide a portion of the funds from the net earnings of the Company, some financial plan must be adopted by which funds from other sources can be obtained."

Considerable attention has been given by the Board to this question, and the various suggestions that have been made in connection therewith were referred to a Committee consisting of Messrs. Joseph Wharton, Beauveau Borie, Edward T. Stotesbury, Robert C. Lippincott, and the President. At a meeting held July 15th, 1903, the Committee made the following report to the Board:—

*"Philadelphia, Pa., July 15, 1903.*

*"To the Board of Directors of the Lehigh Valley Railroad Company.*

*"Gentlemen:—*

*"For several months attention has been given to the question of so adjusting the finances of this Company, as to provide not only for capital needs but for any unexpected demands upon it. As a foundation for any financial plan and pursuant to a discussion at the last stockholders' meeting, a careful examination of the real value of the Company's anthracite coal properties and of its equipment has been made by its officers and supplemented by an independent committee.*

"In respect to the anthracite coal properties: A careful and thorough investigation has been made by a Committee consisting of S. D. Warriner, General Manager of the coal properties; Joseph S. Harris, of the Philadelphia & Reading Coal & Iron Company; W. A. Lathrop, President of the Webster Coal & Coke Co.; Irving A. Stearns, of Coxe Brothers, and A. B. Cochran, Mining Engineer, of Pottsville, Pa. This Committee has spent several months in the study of the property, consideration of its values, and all other questions connected with it. The report rendered by this Committee shows that the value of the property fully justifies increasing its book value; and this is especially so in view of the fact that large expenditures heretofore made, the greater portion of which could properly have been charged to Capital Account have been charged to operating expenses, and have rested finally in the Profit and Loss Account.

"The methods used in arriving at the value of the equipment of the Railroad Company have been fully indorsed by the Baldwin Locomotive Works in respect to engines, and by the American Car & Foundry Company in respect to cars, which demonstrate that the value of the equipment as of July 1, 1903, warrants an increase of \$3,500,000 in the book value of the equipment, by reason of expenditures which might properly have been charged to Capital Account, having been charged in former years to expenses.

"There have been issued by The Lehigh Valley Coal Company and are now in the hands of the public mortgage bonds amounting to \$11,570,000. The \$5,000,000 mortgage bond issued in 1897 by that Company and the \$1,921,000 of the Hazleton Coal Company bonds due September 1, 1936, are deposited with the Trustee of the Collateral Trust Mortgage and have never been sold. The recent issue of \$2,000,000 of Coal Pledge bonds by The Lehigh Valley Coal Company, being in the nature of a temporary loan for working capital, can be retired by an advance of funds to the Coal Company.

"The entire capital stock of The Lehigh Valley Coal Company, amounting to \$1,000,000, is owned by the Railroad Company, \$650,000 of which is deposited as security with the Trustee of the Collateral Trust Mortgage and the balance, \$350,000, is in the Treasury of The Lehigh Valley Coal Company.

"The mortgages of The Lehigh Valley Coal Company and of the Delano Land Company contain provisions for sinking funds, which have been maintained; the funds are accumulating as due in the hands of the Trustee and will fully provide for the extinguishment of these obligations at or before the maturity of the bonds, so that in considering the question of capital requirements we have only to deal with the necessities of the Railroad Company.

"Six corporations of the State of New York and six corporations of the State of New Jersey, constituting substantially the portions of the Lehigh Valley System in those States, have been consolidated into companies named respectively The Lehigh Valley Rail Way Company (of New York) and the Lehigh Valley Railroad Company of New Jersey.\* The stocks of these consolidated companies being owned by the Lehigh Valley Railroad Company (of Pennsylvania), secures all the benefits and economies of a single company from Tidewater to the Lakes.

"Sufficient time having elapsed to give the present management an opportunity for a thorough study of the situation and more definite understanding as to the probable needs of the property, it is now recommended that there be created by the Lehigh Valley Railroad Company (of Pennsylvania), a 'General Consolidated Mortgage,' securing bonds to the amount of \$150,000,000 on the following general basis:

"The railroad property, assets and franchises of the Lehigh Valley Railroad Company, the stock of The Lehigh Valley Coal Company and the stocks of the consolidated New York and New Jersey Railway Companies, with other stocks owned by the Lehigh Valley Railroad Company, are to be the security for such mortgage.

"No prior mortgages are to be hereafter extended at maturity (unless temporarily to

---

\*The Elmira Cortland and Northern, Canastota Northern, Canal Railroad and Lehigh and New York Railroad Companies, were not included in the New York Consolidation.

escape a time of unusual stringency), but the bonds secured thereby are to be replaced by General Consolidated Mortgage bonds as opportunity may offer.

"The rate of interest is to be from time to time fixed with each issue of bonds under the mortgage, but not to exceed five per cent.

"The Mortgage also to provide that any amount, not exceeding \$25,000,000 at any one time of bonds thereunder may, if the Board shall so decide at the time of issue, carry the privilege of their conversion into stock at the pleasure of the holders, but in no event can the total issue of bonds under the Mortgage at any time exceed \$150,000,000.

"The outstanding fixed obligations of the Railroad Company which must be provided for, exclusive of Car Trusts and some minor matters, amount in round numbers to \$94,204,000, with annual interest charges amounting to \$4,778,445. At the maturity of the present liens the General Consolidated Mortgage will be a first mortgage on all the property owned and controlled by the Lehigh Valley System, including the stock of the coal properties, except as to \$12,600,000 of the Lehigh Valley Railroad Company's Annuity bonds. As these are a perpetual charge, that lien can only be removed by their purchase or conversion.

"It is intended that \$10,000,000 of the new bonds shall be issued to the Railroad Company on account of the advances made and to be made by it in payment of Car Trusts matured, etc., in such amounts as the Board may hereafter authorize. As the Company is not in immediate need of funds it is not intended to dispose of any of these bonds at the present time. The outstanding bonds of the Collateral Trust Mortgage will at the Company's convenience be called and cancelled under the redemption clause in that mortgage.

"In view of the ascertained surplus value in the Equipment Account, the Board have considered it proper to charge to Equipment and to credit Profit and Loss \$3,500,000, and in view of the report of the Committee on coal property, to recommend to The Lehigh Valley Coal Company that they likewise charge to cost of property and credit to Profit and Loss account \$3,500,000. It is believed that the general refunding plan now submitted is upon sufficiently broad lines to provide for any reasonable demands of the future. Provision has been made for the issue after January 1, 1905, of \$2,000,000 of bonds annually (which are a part of the \$150,000,000) for expenditures strictly chargeable to Capital Account; any larger amount annually can only be issued by special authorization of the stockholders.

"The present high physical condition of the property, which must be absolutely maintained, the growth of the local and through business along its line, the value of its coal properties and the generally improved condition of all its interests, fully justify the Board in the proposed action."

At a subsequent meeting of the Board the recommendations of the Committee were adopted, and a General Consolidated Mortgage, as recommended in that report, was authorized. The situation has not materially changed since the report of the Committee in July, and it is not intended to make any issue of these bonds at the present moment, but they can be issued from time to time in the discretion of the Board to meet the financial requirements of the Company.

Heretofore the following items of income derived by this Company from securities issued by its controlled corporations, and owned by it, have been credited to Miscellaneous Income and charged against Fixed Charges. In the accounts for 1903 this practice has been abandoned, and the accounts of 1902, for comparative purposes, have been restated accordingly:—

Lehigh Valley Coal Company . . . . .	\$5,000,000	5 %	Bonds.	Annual interest, \$250,000
Hazleton Coal Company . . . . .	1,922,000	"	"	"
Schuylkill and Lehigh Valley Railroad Company . . . . .	2,000,000	"	"	96,100
Rochester Southern Railroad Company . . . . .	425,000	"	"	100,000
Greenville and Hudson Railway Company . . . . .	350,000	"	"	21,250
Morris Canal and Banking Company . . . . .	500,000	6 %	"	17,500
				30,000

Middlesex Valley Railroad Company . . . . .	\$164,000	5 % Bonds.	Annual interest,	\$8,200
Morris Canal and Banking Company, Guaranteed				
Dividend :—				
Preferred Stock . . . . .	271,400	10 %.	Annual dividend . . .	27,140
Common Stock . . . . .	318,300	4 %	“ “ . . .	12,732
Depew and Tonawanda Railroad, Annual Rental . . . . .				30,000
Waverly and State Line Railroad, “ “ . . . . .				600
Total . . . . .				\$593,522

Interest on \$11,514,000 First Mortgage Bonds of The Lehigh Valley Coal Company for one year, and interest on \$5,000,000 Second Mortgage Bonds for ten months, amounting to \$804,866.66, which in 1902 was deducted from the income of the Railroad Company, has, in the restatement of the 1902 figures, been deducted from the income of the Coal Company.

These changes, however, do not affect the final net result in either year.

The amount of the funded debt of the Company as of June 30th, 1902, should have been stated in the last annual report as \$43,900,000, instead of \$41,900,000, the difference being \$2,000,000 of Mortgage and Collateral Trust Bonds, which had been issued and pledged as part of the collateral security for \$5,000,000 National Storage Company Trust Certificates, issued under an agreement with the Central Trust Company of New York, dated December 8th, 1899.

Under the terms of the Collateral Trust Mortgage there were received during the year from the Trustee \$2,000,000 Five per cent. Collateral Trust Bonds. Of this amount \$1,742,000 are in the Treasury and \$258,000 have been sold to the Trustee for sinking fund purposes and canceled. This accounts for an apparent increase of \$1,742,000 in the funded debt.

An additional Equipment Trust, known as “Series G,” amounting to \$800,000, was created during the fiscal year, covering:—

10 passenger cars,	135 box cars.
5 express cars,	100 steel coal cars,
10 milk cars,	500 low-side gondola cars,
10 produce cars,	

and providing for the issue of 800 certificates of \$1,000 each, bearing interest payable on February 1st and August 1st, at 4½ per cent. per annum; the principal being payable in eight annual installments of \$100,000 each, beginning August 1st, 1903.

Payments were made on account of matured principal of Car Trusts “A,” “B,” “C,” “D,” “E,” and “F,” amounting to \$812,000.

Coal Companies' Stock Purchase Bonds, amounting to \$245,000, which matured during the year, were paid.

The value of material and supplies on hand at the end of the fiscal year amounted to \$1,641,921.31, a decrease of \$325,685.74 as compared with the previous year.

The current assets are \$1,702,654.54 in excess of the current liabilities.

The value of the equipment as of July 1st, 1903, fully justified an increase in its valuation on the books, as recommended by the Committee, this increase representing charges heretofore made to Expenses which might properly have gone to Capital Account or Improvements; this increase was applied to the credit of Profit and Loss Account.

In the extension of the Company's lines through the State of New Jersey to tidewater at Perth Amboy, and to the Hudson at Jersey City, and through the State of New York to Buffalo, it became necessary to organize a number of subordinate corporations, the entire capital stocks of which were owned by the Lehigh Valley Railroad Company. There being no necessity for the maintenance of separate organizations for these lines, all embraced in the Lehigh Valley System, the following corporations of New York State were on August 3d, 1903, in the interest of economy and good

management, duly merged into The Lehigh Valley Rail Way Company (of New York) thus making one through line from Buffalo to a connection with the Lehigh Valley Railroad at Sayre, Pa.:—

The Depew and Tonawanda Railroad Company,  
Rochester Southern Railroad Company,  
Middlesex Valley Railroad Company,  
The Seneca County Railway,  
The Waverly and State Line Railway Company.

In New Jersey the following corporations were, on July 29th, 1903, duly united and consolidated with the Easton and Amboy Railroad Company:—

Lehigh Valley Terminal Railway Company,  
Greenville and Hudson Railway Company,  
Middlesex Railway Company,  
Perth Amboy and Raritan Railway Company,  
Pittstown Branch Railway Company.

The title "Lehigh Valley Railroad Company of New Jersey" was adopted for the consolidated Company, which now possesses one through line from a connection with the Lehigh Valley Railroad at Phillipsburg, on the Delaware, to Perth Amboy and Jersey City.

The capital stock of The Lehigh Valley Rail Way Company (of New York) was fixed at \$10,000,000. Of this \$7,720,000 was issued in exchange for the capital stocks of the merged roads, the balance remaining in the treasury, and will be available if the Elmira, Cortland and Northern Railroad Company should hereafter be merged into The Lehigh Valley Rail Way Company (of New York).

The capital stock of the consolidated Lehigh Valley Railroad Company of New Jersey was fixed at \$16,454,000, that sum equaling the combined stocks of the lines embraced in the consolidation. The entire capital stocks of both consolidated companies are owned by the Lehigh Valley Railroad Company.

In accordance with the usual practice, the Board has had the companies' accounts for the year examined by certified public accountants. The result of this examination is stated in the accountants' certificate, published herewith.

The general balance sheet and statements accompanying the report show the financial condition of the Company at the close of the fiscal year.

### GENERAL REMARKS.

The work of repairing the damage done by the disastrous floods in the early part of the year 1902 was continued throughout the year and practically completed. For this purpose \$443,343.05 were expended.

The reconstruction of Pier "G" at Jersey City, which was destroyed by fire, was completed during the year, at a total cost of \$222,870.29, of which \$117,999.29 was charged to this year's Operating Expenses, the balance having been collected from the insurance companies and applied to this account.

In order to accommodate deep-draft vessels, the slips at Perth Amboy, Jersey City, and Tift Farm were dredged, at a cost of \$29,605.18.

Track connection has been made with forty-five new manufacturing industries which were located along the line of the road during the fiscal year.

Both main tracks and two passing sidings at William Street, East Buffalo, were lowered, reducing the grade from 0.65 per cent. to 0.4 per cent. As a result of this improvement the services of a helper engine are no longer necessary. \$10,499.64 were expended for this purpose.

The west end of the eastbound yard at Coxton was raised so as to admit of operating by gravity. There was expended for this work the sum of \$6,500.

The retail coal pockets at Newark were rebuilt during the year at a cost of \$154,344.03, which amount was charged to Operating Expenses. The strength of the old structure was limited to 40,000 pounds capacity cars, and it was necessary to use the Pennsylvania Railroad tracks for a short distance to reach it. The new pockets have an increased capacity, will admit of handling larger cars, and are reached by our own tracks.

In the construction of a new passenger station and freight terminal at Mauch Chunk, the consolidation of two separate stations formerly maintained was effected. This improvement not only affords greater facilities for handling passengers, local freight, and track delivery business, but increases the track accommodations for through coal trains as well. For this special work there was expended and charged to Operating Expenses during the year the sum of \$63,889.79.

For the purpose of strengthening its lake connections and securing an interest in elevator property at Buffalo, this Company, in connection with other companies, joined in the purchase of what was known as the Great Northern Steamship Line, consisting of six steel steamers and the Great Northern Elevator, having a capacity of 3,000,000 bushels.

Additional right of way of the Lehigh and Lake Erie Railroad was purchased during the year at a cost of \$135,296.51, in addition to which \$21,756.13 was expended in connection with the construction of a single track from the Buffalo Creek Railroad to a connection with the South Buffalo Railroad at Collingwood Avenue, Buffalo, which work is still progressing. This track, with connections, will afford increased facilities for interchange business and for reaching manufacturing industries at South Buffalo. It will also relieve the congestion of traffic on the Buffalo Creek Railroad, offering the possibility of shipments to and from Tiffit Farm via the Terminal Railway to Buffalo, and eventually serving as an independent outlet.

On the Pennsylvania and New York Railroad there was expended \$13,090.56 for the elimination of the grade crossing at Cayuta Street, Sayre, and \$1,460.50 for additional right of way.

Fifty-five and thirty-six one-hundredths per cent. of the total operating expenses, or the sum of \$10,508,057.88, was paid by the Company direct to labor, being distributed among 18,621 employees.

Over 60 per cent. of the increased cost of operation during the year, or \$601,738.57, was due to the increase in rates of wages paid and to the increased cost of fuel, in addition to which there was also a material increase in the cost of other supplies.

At a meeting of the Board of Directors, held on January 26th, 1903, Article II. of the By-Laws, which created the office of Chairman of the Board, was suspended.

Mr. Alfred Walter resigned as President of the Company on November 19th, 1902, and Mr. E. B. Thomas was elected by the Board of Directors on December 4th, 1902, to fill the unexpired term. He was re-elected President for the ensuing year by the stockholders at their annual meeting, held on January 20th, 1903.

Mr. J. A. Middleton was elected to the office of Second Vice-President of the Company.

Mr. David G. Baird was elected Secretary and Mr. E. A. Albright Assistant Secretary, to fill the vacancies caused by the resignations of Mr. John R. Fanshawe and Mr. Edward Y. Hartshorne respectively.

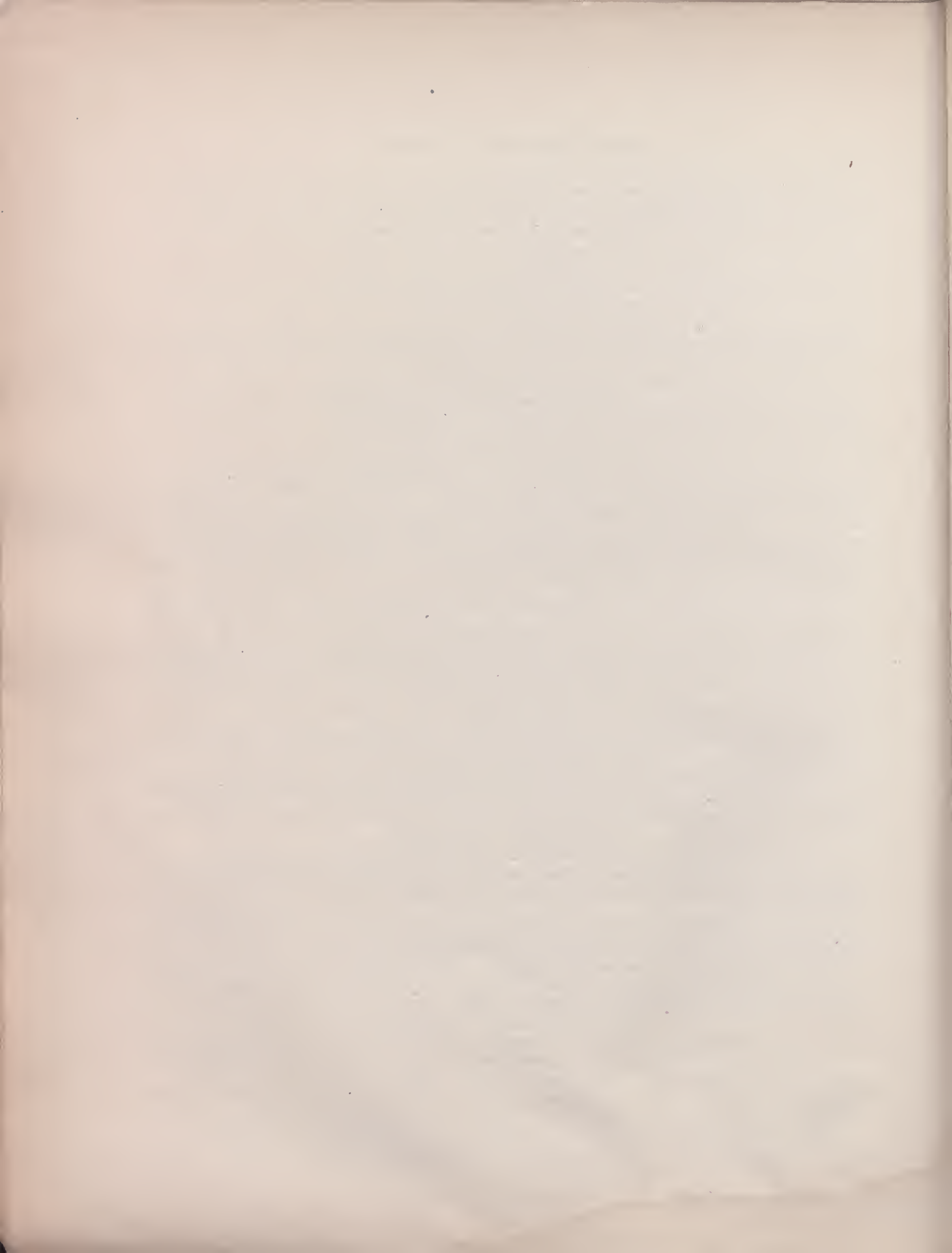
Mr. Isaac McQuilkin, Comptroller, resigned during the year, and the office of Comptroller was abolished.

Mr. G. N. Wilson was appointed General Auditor of the Company.

The Company desires to express its appreciation of the earnestness, intelligence, and loyalty shown by its officials and employees during the past year.

By order of the Board of Directors,

E. B. THOMAS,  
*President.*



HASKINS & SELLS,  
CERTIFIED PUBLIC ACCOUNTANTS,  
30 Broad Street, New York.

LONDON, E. C.,  
30 Coleman Street.

CHICAGO,  
204 Dearborn Street.

ST. LOUIS,  
Lincoln Trust Building.

CLEVELAND,  
Williamson Building.

Cable Address, "HASKSELLS."

PITTSBURG,  
Farmers Bank Building.

NEW YORK, September 9th, 1903.

*Mr. E. B. Thomas, President, Lehigh Valley Railroad Company, New York:*

We have examined the books and accounts of the Lehigh Valley Railroad Company, the Lehigh Valley Coal Company, and Affiliated Coal Companies for the fiscal year ended June 30th, 1903, have verified all cash and security balances by actual count or comparisons with receipts and certificates of deposit, and

We hereby certify that the accompanying general balance sheets and statements of income and profit and loss correctly set forth the financial condition of the companies June 30th, 1903, and the results of their operations for the fiscal year ended on that date.

(Signed) HASKINS & SELLS,  
*Certified Public Accountants.*



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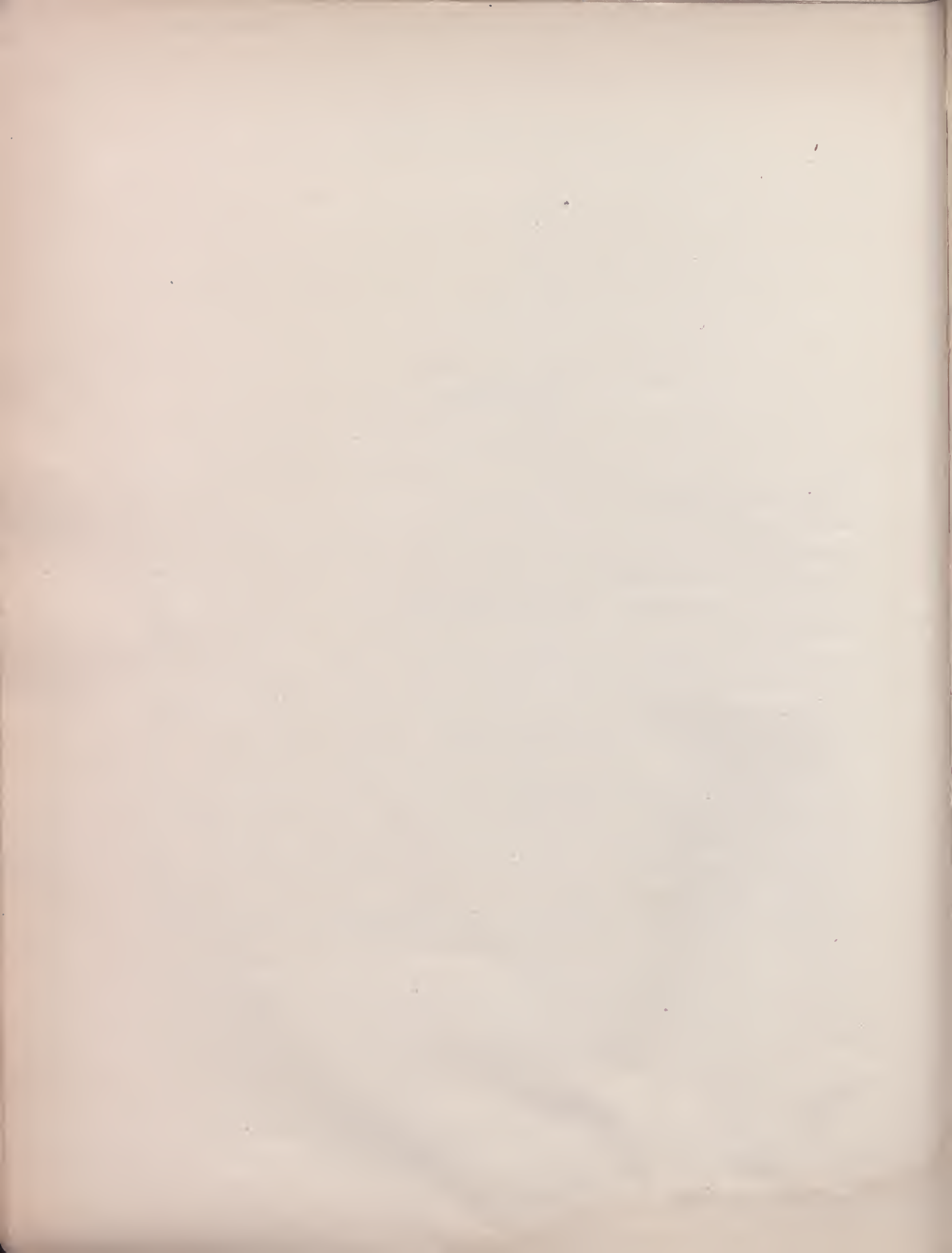
## APPENDIX.

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STATEMENT OF MILEAGE OF TRACK OPERATED.

TABLE 1.

OWNED BY LEHIGH VALLEY RAILROAD OR CONTROLLED BY OWNERSHIP OF ENTIRE CAPITAL STOCK.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Lehigh Valley Terminal Railway, Greenville and Hudson Railway, and Easton and Amboy Railroad, Jersey City to Phillipsburg, N. J. :—					
Main Line . . . . .	75.29	75.29	15.57	104.38	270.53
Branches . . . . .	34.73	10.94	. . . .	92.41	138.08
National Docks Railway . . . . .	8.43	7.86	. . . .	22.06	38.35
Lehigh Valley Railroad, Phillipsburg, N. J., to Wilkes-Barre, Pa. :—					
Main Line . . . . .	98.94	87.52	2.79	165.76	355.01
Branches . . . . .	16.65	2.62	. . . .	16.07	35.34
Easton and Northern Railroad, Thirteenth Street Junction to L. V. R. R. connection, Easton, Pa. . . .	4.64	. . . .	. . . .	.07	4.71
Mahanoy and Hazleton Division :—					
Main Line and Main Branches . . . . .	110.88	66.24	. . . .	77.92	255.04
Minor Branches to Breakers, &c. . . . .	61.57	. . . .	. . . .	34.83	96.40
Mountain Cut-Off, Fairview to Avoca, Pa. . . . .	17.66	17.17	. . . .	5.09	39.92
Wyoming Division Branches . . . . .	11.28	. . . .	. . . .	4.84	16.12
Bowman's Creek Branch, Port Bowkley to Bernice, Pa., and branches . . . . .	50.29	. . . .	. . . .	9.60	59.89
Waverly and State Line Railroad, Pennsylvania State Line to Waverly, N. Y. . . . .	.41	. . . .	. . . .	1.52	1.93
Lehigh Valley Rail Way, Pennsylvania State Line to Buffalo, N. Y. . . . .	175.16	175.16	. . . .	152.12	502.44
Ithaca Branch, Van Etten Jc. to Geneva Jc., N. Y. . .	59.49	. . . .	. . . .	16.33	75.82
Auburn and Ithaca Branch, Ithaca to Auburn, N. Y.,	42.46	. . . .	. . . .	8.55	51.01
Cayuga Branch, Cayuga Junction to Cayuga, N. Y.,	3.75	. . . .	. . . .	1.05	4.80
Rochester Southern Railroad, Rochester to Hemlock Lake, N. Y. . . . .	29.67	.13	. . . .	8.39	38.19
Depew and Tonawanda Railroad, Depew Junction to Tonawanda Junction, N. Y. . . . .	10.56	10.39	. . . .	1.87	22.82
Elmira, Cortland and Northern Railroad, Elmira to Camden, N. Y. . . . .	139.14	. . . .	. . . .	30.45	169.59
Middlesex Valley Railroad, Geneva to Naples, N. Y.,	29.42	. . . .	. . . .	3.25	32.67
Seneca County Railway, Geneva Junction to Seneca Falls, N. Y. . . . .	8.20	. . . .	. . . .	1.79	9.99
Total . . . . .	988.62	453.32	18.36	758.35	2,218.65

## STATEMENT OF MILEAGE OF TRACK OPERATED.—(Continued.)

CONTROLLED BY OWNERSHIP OF MAJORITY OF CAPITAL STOCK.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Schuylkill and Lehigh Valley Railroad, Lizard Creek Junction to Blackwood, Pa. . . . .	41.69	. . . . .	. . . . .	6.20	47.89
Pennsylvania and New York Railroad:—					
Main Line, Wilkes-Barre, Pa., to Pennsylvania State Line . . . . .	96.52	96.52	.61	131.93	325.58
Branches . . . . .	44.94	1.58	. . . . .	36.64	83.16
Montrose Railway, Tunkhannock to Montrose, Pa.	27.22	. . . . .	. . . . .	1.81	29.03
Lehigh and New York Railroad, Pennsylvania State Line to North Fair Haven, N. Y. . . . .	115.37	. . . . .	. . . . .	28.97	144.34
Total . . . . .	325.74	98.10	.61	205.55	630.00
CONTROLLED BY LEASES.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
State Line and Sullivan Railroad, Monroeton to Bernice, Pa. . . . .	24.06	. . . . .	. . . . .	5.25	29.31
Hayt's Corners, Ovid and Willard Railroad, Hayt's Corners to Willard, N. Y. . . . .	3.82	. . . . .	. . . . .	.30	4.12
Total . . . . .	27.88	. . . . .	. . . . .	5.55	33.43
TRackage RIGHTS.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Pennsylvania Railroad, Schuylkill Division, Spring Garden Junction to Pottsville, Pa. . . . .	4.20	. . . . .	. . . . .	. . . . .	4.20
Pennsylvania Railroad, West Newark Junction to Jer- sey City, N. J. . . . .	9.40	9.40	. . . . .	. . . . .	18.80
Philadelphia and Erie Railroad, New Boston Junction to Pottsville, Pa. . . . .	10.90	. . . . .	. . . . .	. . . . .	10.90
Central Railroad of New Jersey, Sandy Run Junction to Crellin Junction, Pa. . . . .	5.91	. . . . .	. . . . .	. . . . .	5.91
Barclay Railroad, Barclay Junction to Monroeton, Pa. .	4.00	. . . . .	. . . . .	. . . . .	4.00
New York Central Railroad, Tonawanda Junction to Suspension Bridge, N. Y. . . . .	14.96	12.80	. . . . .	. . . . .	27.76
Total . . . . .	49.37	22.20	. . . . .	. . . . .	71.57

STATEMENT OF MILEAGE OF TRACK OPERATED.—*Continued.*

OWNED, NOT OPERATED, BY THIS COMPANY.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Easton and Northern Railroad, Easton to Belfast, Pa., leased to Bangor and Portland Railway . . . . .	8.14	. . . . .	. . . . .	2.77	10.91
Total . . . . .	8.14	. . . . .	. . . . .	2.77	10.91
RECAPITULATION.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Owned or controlled by ownership of entire stock . .	988.62	453.32	18.36	758.35	2,218.65
Controlled by ownership of majority of stock . . . .	325.74	98.10	.61	205.55	630.00
Controlled by leases . . . . .	27.88	. . . . .	. . . . .	5.55	33.43
Trackage rights . . . . .	49.37	22.20	. . . . .	. . . . .	71.57
Owned, not operated . . . . .	8.14	. . . . .	. . . . .	2.77	10.91
Total . . . . .	1,399.75	573.62	18.97	972.22	2,964.56
MILEAGE BY STATES.	FIRST TRACK. MILES.	SECOND TRACK. MILES.	THIRD TRACK. MILES.	YARD TRACKS AND SIDINGS. MILES.	TOTAL TRACKS. MILES.
Pennsylvania . . . . .	639.50	271.65	3.40	498.79	1,413.34
New York . . . . .	632.41	198.48	. . . . .	255.96	1,086.85
New Jersey . . . . .	127.84	103.49	15.57	217.47	464.37
Total . . . . .	1,399.75	573.62	18.97	972.22	2,964.56

COMPARATIVE INCOME ACCOUNT FOR THE YEARS ENDED JUNE 30TH,  
1903 AND 1902.

TABLE 2.

LEHIGH VALLEY RAILROAD COMPANY.	1903	1902	INCREASE.	DECREASE.
GROSS EARNINGS :—				
Coal transportation . . . . .	\$10,104,764 40	\$9,328,959 09	\$775,805 31	
Other freight transportation . . . . .	11,609,706 36	9,627,286 35	1,982,420 01	
Passenger transportation . . . . .	3,191,638 63	3,664,820 27		\$473,181 64
Express transportation . . . . .	278,399 62	256,107 08	22,292 54	
Mail transportation . . . . .	204,659 92	204,748 46		88 54
Miscellaneous earnings . . . . .	1,265,334 33	838,046 70	427,287 63	
Total gross earnings . . . . .	\$26,654,503 26	\$23,919,967 95	\$2,734,535 31	
OPERATING EXPENSES :—				
Maintenance of way and structures . .	\$4,099,168 88	\$3,689,987 12	\$409,181 76	
Maintenance of equipment . . . . .	4,694,395 07	4,654,257 50	40,137 57	
Conducting transportation . . . . .	9,567,083 09	8,898,286 97	668,796 12	
General expenses . . . . .	619,532 62	738,667 14		\$119,134 52
Total operating expenses . . . . .	\$18,980,179 66	\$17,981,198 73	\$998,980 93	
Percentage, operating expenses to gross earnings . . . . .	71.21 per cent.	75.17 per cent.		3.96 per cent.
NET EARNINGS . . . . .	\$7,674,323 60	\$5,938,769 22	\$1,735,554 38	
OTHER INCOME :—				
Dividends on stocks . . . . .	\$183,161 80	\$257,106 20		\$73,944 40
Interest on bonds . . . . .	93,070 00	93,070 00		
Interest on real estate mortgages . . .	38,522 56	39,185 86		663 30
Miscellaneous interest . . . . .	70,196 01	78,655 99		8,459 98
Rents, Easton and Northern Railroad .	22,819 93	17,827 35	\$4,992 58	
Operation of water lines, net . . . . .	87,917 10	*72,658 47	160,575 57	
Operation of coal shipping and storage plants, net . . . . .	109,237 46	120,043 23		10,805 77
Total other income . . . . .	\$604,924 86	\$533,230 16	\$71,694 70	
TOTAL INCOME . . . . .	\$8,279,248 46	\$6,471,999 38	\$1,807,249 08	
DEDUCTIONS FROM INCOME :—				
Additions and improvements to property,	\$1,266,182 09	\$1,438,676 16		\$172,494 07
Interest on funded debt . . . . .	2,285,500 00	2,285,500 00		
Interest on coal companies' stock purchase bonds . . . . .	44,683 33	54,799 99		10,116 66
Interest on National Storage Company trust certificates . . . . .	200,000 00	200,000 00		
Interest on equipment trust obligations .	276,742 50	245,543 62	\$31,198 88	
Rentals of leased lines and guaranties .	2,304,473 00	2,304,473 00		
Taxes . . . . .	613,405 53	615,467 32		2,061 79
Miscellaneous deductions . . . . .	176,672 92	105,449 31	71,223 61	
Total deductions from income . .	\$7,167,659 37	\$7,249,909 40		\$82,250 03
NET INCOME . . . . .	\$1,111,589 09	*\$777,910 02	\$1,889,499 11	
LEHIGH VALLEY COAL COMPANY AND AFFILIATED COAL COMPANIES.				
NET INCOME . . . . .	\$895,918 46	*\$1,098,797 79	\$1,994,716 25	
TOTAL NET INCOME . . . . .	\$2,007,507 55	*\$1,876,707 81	\$3,884,215 36	

\* Deficit.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30TH, 1903.

TABLE 3.

LEHIGH VALLEY RAILROAD COMPANY.

	DR.	CR.
Balance deficit, July 1st, 1902 . . . . .	\$3,372,147 04	
Amount added to book value of the Company's rolling stock and other equipment, as the result of an inventory and appraisalment, and in accordance with the authorization of the Board of Directors . . . . .		\$3,500,000 00
Interest for the six months ended June 30th, 1902, on the first mortgage bonds of the Lehigh Valley Coal Company, previously charged against the income account of this Company, now credited back, this interest having been paid by the coal company . . . . .		287,850 00
Interest received in prior period on the Connell Coal Company loan account, and erroneously applied to the reduction of the principal . . . . .		28,500 00
Interest accrued as obligations in the accounts prior to June 30th, 1902, now canceled, the securities on which such interest was accrued being owned by the Company . . . . .		52,980 00
Miscellaneous adjustments applicable to prior period . . . . .		11,909 61
Net income for the year ended June 30th, 1903, Table No. 2 . . . . .		1,111,589 09
Balance surplus, June 30th, 1903 . . . . .	1,620,681 66	
	<u>\$4,992,828 70</u>	<u>\$4,992,828 70</u>
Balance carried forward, July 1st, 1903 . . . . .		\$1,620,681 66

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30TH, 1903.

LEHIGH VALLEY COAL COMPANY AND AFFILIATED COAL COMPANIES.

	DR.	CR.
Balance deficit, July 1st, 1902 . . . . .	\$2,837,207 08	
Interest for the six months ended June 30th, 1902, on the first mortgage bonds of the Lehigh Valley Coal Company, previously taken up in the income account of the railroad company and now charged back, this interest having been paid by the coal company . . . . .	287,850 00	
Miscellaneous adjustments applicable to prior period . . . . .	55,180 43	
Amount added to the book value of the coal properties owned by the Lehigh Valley Coal Company, as the result of an inventory and appraisalment, and in accordance with the authorization of the Board of Directors . . . . .		\$3,500,000 00
Adjustment of the account "reserve for sinking fund first mortgage bonds" of the Lehigh Valley Coal Company, 486 bonds having been canceled prior to July 1st, 1902, and no entries made reducing the sinking fund reserve . . . . .		486,000 00
Net income for the year ended June 30th, 1903, Table No. 2 . . . . .		895,918 46
Balance surplus, June 30th, 1903 . . . . .	1,701,680 95	
	<u>\$4,881,918 46</u>	<u>\$4,881,918 46</u>
Balance carried forward, July 1st, 1903 . . . . .		\$1,701,680 95

TABLE 4.

CONDENSED BALANCE SHEET, JUNE 30TH, 1903.

Dr.

## LEHIGH VALLEY RAILROAD COMPANY.

ASSETS, JUNE 30th, 1903.			CHANGES.	
			INCREASE.	DECREASE.
RAILROAD.				
Cost of road . . . . .		\$18,639,291 95		
EQUIPMENT . . . . .		27,796,258 32	\$3,843,838 34	
MORTGAGE AND COLLATERAL TRUST BONDS OF THE COMPANY HELD IN ITS TREASURY . . . . .		1,742,000 00	1,742,000 00	
MORTGAGE AND COLLATERAL TRUST BONDS OF THE COMPANY IN HANDS OF TRUSTEE OF NATIONAL STORAGE COMPANY TRUST CERTIFICATES . . . . .		2,000,000 00		
REAL ESTATE . . . . .		1,507,109 83	159,947 40	
MORTGAGES RECEIVABLE . . . . .		396,147 20		\$253,981 17
SECURITIES OWNED.				
Stocks of railroad and water lines in- cluded in Lehigh Valley system . . . . .	\$18,066,171 34			195 00
Stocks of allied coal companies . . . . .	2,849,504 29		47,223 00	
Stocks of other companies . . . . .	7,415,252 87		705,799 87	
Bonds of railroad and water lines in- cluded in Lehigh Valley system . . . . .	3,398,926 00			
Bonds of The Lehigh Valley Coal Com- pany . . . . .	6,400,000 00			
Bonds of other coal companies . . . . .	970,253 52		26,070 35	
Bonds of other companies . . . . .	79,001 00		1 00	
Car Trust certificates, Lehigh Valley Terminal Railway . . . . .	900,000 00			
		40,079,109 02		
OTHER PERMANENT INVESTMENTS.				
Advances to railroad and water lines included in Lehigh Valley system, for property. (See Table 8.) . . . . .		6,708,768 10	244,051 07	
ADVANCED INSURANCE PREMIUMS . . . . .		59,912 17		22,189 57
CURRENT ASSETS.				
Cash in hands of Treasurer . . . . .	\$2,033,454 52			370,457 75
Cash in hands of officers and agents . . . . .	149,702 98		12,458 96	
Cash in transit . . . . .	211,327 37			28,138 48
Due by station agents . . . . .	1,329,643 42		150,728 51	
Due by individuals and companies . . . . .	1,455,871 66		883,535 26	
Traffic balances due by other companies . . . . .	946,929 93		660,557 19	
Advances to other companies . . . . .	563,217 15			79,229 42
		6,690,147 03		
MATERIAL AND SUPPLIES ON HAND . . . . .		1,641,921 31		325,685 74
TOTAL ASSETS . . . . .		\$107,260,664 93	\$7,396,333 82	

AND COMPARISON WITH JUNE 30TH, 1902.

LEHIGH VALLEY RAILROAD COMPANY.

Cr.

LIABILITIES, JUNE 30th, 1903.		CHANGES.	
		INCREASE.	DECREASE.
CAPITAL STOCK . . . . .	\$40,441,100 00 . . . . .		
FUNDED DEBT . . . . .	45,642,000 00	\$1,742,000 00	
COAL COMPANIES' STOCK PURCHASE BONDS † . . . . .	925,000 00 . . . . .		\$245,000 00
NATIONAL STORAGE COMPANY TRUST CERTIFICATES . . . . .	5,000,000 00 . . . . .		
EQUIPMENT TRUST OBLIGATIONS . . . . .	5,547,000 00 . . . . .		12,000 00
RESERVES.			
Equipment renewal reserve . . . . .	\$665,774 65 . . . . .		54,129 49
Other reserves . . . . .	667,320 55 . . . . .	556,021 35 . . . . .	
	1,333,095 20 . . . . .		
MORTGAGES ON REAL ESTATE . . . . .	261,927 21 . . . . .	49,933 32 . . . . .	
INTEREST AND RENTALS ACCRUED, NOT DUE.			
Interest on funded debt . . . . .	\$328,375 00 . . . . .		
Interest on equipment trusts . . . . .	77,762 51 . . . . .	7,687 51 . . . . .	
Accrued rentals, leased lines . . . . .	385,735 82 . . . . .		17,979 96
Interest on National Storage Company trust certificates . . . . .	50,000 00 . . . . .		
Interest on Coal Companies' Stock Purchase Bonds . . . . .	7,583 33 . . . . .		2,116 67
	849,456 66 . . . . .		
CURRENT LIABILITIES.			
Sterling bond matured, not presented, . . . . .	\$1,000 00 . . . . .		
Interest on bonds due and unclaimed . . . . .	49,726 25 . . . . .	2,807 25 . . . . .	
Rentals of leased lines due . . . . .	346,500 00 . . . . .		
Interest on The Lehigh Valley Coal Company bonds due . . . . .			287,850 00
June pay roll, since paid . . . . .	870,822 78 . . . . .	155,510 40 . . . . .	
Audited vouchers, including June bills, since paid . . . . .	2,436,720 27 . . . . .	540,385 48 . . . . .	
Due to individuals and companies . . . . .	710,776 10 . . . . .		303,214 35
Traffic balances due to other companies . . . . .	222,289 50 . . . . .	72,809 36 . . . . .	
Unclaimed wages . . . . .	12,853 21 . . . . .	3,781 10 . . . . .	
Lehigh and New York Railroad Company, lessors . . . . .			22,800 21
Taxes accrued . . . . .	310,835 55 . . . . .	169,229 28 . . . . .	
Employees' pension fund . . . . .	25,968 83 . . . . .		19,480 96
	4,987,492 49 . . . . .		
DEFERRED LIABILITIES.			
Taxes accrued, not due . . . . .	\$243,000 00 . . . . .	8,000 00 . . . . .	
Sundry accounts . . . . .	409,911 71 . . . . .	59,911 71 . . . . .	
	652,911 71 . . . . .		
PROFIT AND LOSS . . . . .	1,620,681 66 . . . . .	4,992,828 70 . . . . .	
TOTAL LIABILITIES . . . . .	\$107,260,664 93 . . . . .	\$7,396,333 82 . . . . .	

\* See page No. 17 for remarks.

† See Table 5 for details.

## STATEMENT OF FUNDED DEBT, YEARLY INTEREST, GUARANTIES, AND RENTALS OF LEASED LINES.

TABLE 5.

	PRINCIPAL.	DATE OF MATURITY.	ACCRUED INTEREST.		
			Rate.	Due.	Amount.
Lehigh Valley R. R. Co. :—					
First mortgage bonds . . . . .	\$5,000,000	June 1st, 1948 . .	4% gold	June and Dec. .	\$200,000 00
Second mortgage bonds . . . . .	6,000,000	Sept. 1st, 1910 . .	7% . . .	Mar. and Sept.	420,000 00
Consolidated mortgage bonds :—					
Coupon . . . . . \$1,319,000		Dec. 1st, 1923 . .	6% . . .	June and Dec. .	
Registered . . . . . 4,319,000		" . . . . .	6% . . .	" . . . . .	
Annuity . . . . . 10,062,000		Perpetual . . . .	6% . . .	" . . . . .	
	15,700,000				942,000 00
Coupon . . . . . \$1,669,000		Dec. 1st, 1923 . .	4½% . . .	" . . . . .	
Registered . . . . . 3,093,000		" . . . . .	4½% . . .	" . . . . .	
Annuity . . . . . 2,538,000		Perpetual . . . .	4½% . . .	" . . . . .	
	7,300,000				328,500 00
Mortgage and collateral trust bonds . . .	11,642,000	May 1st, 1997 . .	5% gold	May and Nov.	582,100 00
		Total . . . . .			\$2,472,600 00
		Deduct interest on mortgage and collateral trust bonds held in treasury and in the hands of Trustee . . . . .			187,100 00
Total . . . . .	\$45,642,000				\$2,285,500 00
Coal Companies' Stock Purchase Bonds :—					
Seneca Coal Company . . . . .	\$400,000	{ \$100,000 annually to June 1st, 1907.	4% gold	June and Dec.	\$19,666 67
Connell Coal Company . . . . .	300,000	{ \$100,000 annually to March 1st, 1906.	4% gold	Mar. and Sept.	14,666 66
Righter Coal Company . . . . .	225,000	{ \$45,000 annually to April 1st, 1908.	4% gold	April and Oct.	10,350 00
Total . . . . .	\$925,000				\$44,683 33
National Storage Co. trust certificates . . .	\$5,000,000	Dec. 8th, 1904* . .	4% gold	April and Oct. .	\$200,000 00
Lehigh Valley Terminal Ry. Co. :—					
First mortgage bonds . . . . .	\$10,000,000	October 1st, 1941	5% gold	April and Oct. .	\$500,000 00
Easton and Amboy R. R. Co. :—					
First mortgage bonds . . . . .	6,000,000	May 1st, 1920 . .	5% . . .	May and Nov. .	300,000 00
Morris Canal and Banking Co. :—					
Preferred stock . . . . . \$903,600			10% . . .		90,360 00
Consolidated stock . . . . . 706,700			4% . . .		28,268 00
	1,610,300				
Easton and Northern R. R. Co. :—					
First mortgage bonds . . . . .	51,000	Nov. 1st, 1935 . .	4½% gold	May and Nov. .	2,295 00
Penna. and New York Canal and R. R. Co. :—					
First mortgage bonds . . . . . \$1,500,000		June 1st, 1906 . .	7% . . .	June and Dec. .	105,000 00
Consolidated mortgage bonds . . . . . 4,000,000		April 1st, 1939 . .	5% . . .	April and Oct. .	200,000 00
Consolidated mortgage bonds . . . . . 1,500,000		" . . . . .	4½% . . .	" . . . . .	67,500 00
Consolidated mortgage bonds . . . . . 3,000,000		" . . . . .	4% . . .	" . . . . .	120,000 00
	10,000,000				
The Lehigh Valley R. W. Co. of New York :—					
First mortgage bonds . . . . .	15,000,000	July 1st, 1940 . .	4½% gold	Jan. and July .	675,000 00
Lehigh and New York R. R. Co. :—					
First mortgage bonds . . . . .	2,000,000	Sept. 1st, 1945 . .	4% gold	March and Sept.	80,000 00
Elmira, Cortland and Northern R. R. Co. :—					
First preferred mortgage bonds, \$750,000		April 1st, 1914 . .	6% gold	April and Oct. .	45,000 00
First mortgage bonds . . . . . 1,250,000		" . . . . .	5% gold	" . . . . .	62,500 00
	2,000,000				
Canastota Northern R. R. Co. :—					
First mortgage bonds . . . . .	300,000	July 1st, 1906 . .	6% gold	Jan. and July .	18,000 00
Middlesex Valley R. R. Co. :—					
First mortgage bonds . . . . .	211,000	Nov. 1st, 1942 . .	5% gold	May and Nov. .	10,550 00
Total . . . . .	\$47,172,300				\$2,304,473 00
Grand total, June 30th, 1903 . . . . .	\$98,739,300				\$4,834,656 33

\* Date of maturity December 8th, 1904, or may be extended, at option of Lehigh Valley Railroad Company, to December 8th, 1909.

STATEMENT OF EQUIPMENT TRUSTS AND MARINE OBLIGATIONS.

	PRINCIPAL.	DATE OF MATURITY.	INTEREST.	
			Rate.	Due.
Lehigh Valley R. R. Co. :—				
Car trust, series A, bonds . . . . .	\$300,000	{ \$50,000 semi-annually to February 1st, 1906. }	5% gold	Feb. and Aug.
Car trust, series B, bonds . . . . .	175,000	{ \$25,000 semi-annually to August 1st, 1906. }	5% gold	Feb. and Aug.
Equipment trust, series C, certificates . . . . .	1,200,000	{ \$200,000 annually to June 1st, 1909. }	4½% gold	June and Dec.
Equipment trust, series D, certificates . . . . .	2,100,000	{ \$300,000 annually to March 1st, 1910. }	4½% gold	Mar. and Sept.
Equipment trust, series E, certificates . . . . .	492,000	{ \$82,000 annually to February 1st, 1909. }	4½% gold	Feb. and Aug.
Equipment trust, series F, certificates . . . . .	480,000	{ \$80,000 annually to May 1st, 1909. }	4½% gold	May and Nov.
Equipment trust, series G, certificates . . . . .	800,000	{ \$100,000 annually to August 1st, 1910. }	4½% gold	Feb. and Aug.
Total . . . . .	\$5,547,000			
Lehigh Valley Transportation Co., N. J. :—				
Maritime mortgage bonds . . . . .	\$485,000	{ \$120,000 annually to May 1st, 1907. }	5% gold	May and Nov.
Total June 30th, 1903 . . . . .	\$6,032,000			

## STATEMENT OF SECURITIES OWNED.

TABLE 6.

	BONDS.	EACH.	PAR VALUE.	TOTAL.
<b>BONDS.</b>				
*Coal Ridge Improvement and Coal Co., dated May 27th, 1867 . . . . .	1	\$184,500	\$184,500 00	
*Coal Ridge Improvement and Coal Co., dated June 1st, 1874 . . . . .	400	500	200,000 00	
*Greenville and Hudson Ry. Co. . . . .	7	50,000	350,000 00	
*Lehigh Valley Coal Co., dated October 1st, 1892 . . . . .	1,400	1,000	1,400,000 00	
*Lehigh Valley Coal Co., dated April 30th, 1897 . . . . .	1	5,000,000	5,000,000 00	
*Lehigh Valley Terminal Ry. Co. Car Trust . . . . .	900	1,000	900,000 00	
*Morris Canal and Banking Co. . . . .	500	1,000	500,000 00	
*Rochester Southern R. R. Co. . . . .	425	1,000	425,000 00	
*Schuylkill and Lehigh Valley R. R. Co. . . . .	2,000	1,000	2,000,000 00	
§Hazleton Coal Co. . . . .	1,922	1,000	1,922,000 00	
Glen Summit Hotel and Land Co. . . . .	158	500	79,000 00	
Mansion House Hotel Co. . . . .	14	500	7,000 00	
Middlesex Valley R. R. Co. . . . .	389	1,000	389,000 00	
				\$13,356,500 00
<b>STOCKS.</b>				
	SHARES.			
*Anthracite Coal and Improvement Co. . . . .	12,993	\$20	\$259,860 00	
*Buffalo Creek R. R. Co. . . . .	1,250	100	125,000 00	
*Canal R. R. Co. . . . .	6,000	10	60,000 00	
*Canastota Northern R. R. Co. . . . .	2,000	100	200,000 00	
*Depew and Tonawanda R. R. Co. . . . .	5,000	100	500,000 00	
*Easton and Northern R. R. Co. . . . .	6,000	50	300,000 00	
*Elmira, Cortland and Northern R. R. Co. . . . .	20,000	100	2,000,000 00	
*Elmira Transfer Ry. Co. . . . .	100	100	10,000 00	
*Greenville and Hudson Ry. Co. . . . .	4,000	100	400,000 00	
*Hazleton Coal Co. . . . .	10,000	50	500,000 00	
*Highland Coal Co. . . . .	2,400	50	120,000 00	
*Lehigh and New York R. R. Co., preferred . . . . .	21,485	100	2,148,500 00	
*Lehigh Valley Coal Co. . . . .	13,000	50	650,000 00	
*Lehigh Valley R. W. Co. of New York . . . . .	59,000	100	5,900,000 00	
*Lehigh Valley Terminal Ry. Co. . . . .	100,000	100	10,000,000 00	
*Lehigh Valley Transportation Co., N. J. . . . .	7,500	100	750,000 00	
*Loyalsock R. R. Co. . . . .	6,000	50	300,000 00	
*New York and Middle Coal Field R. R. and Coal Co. . . . .	42,446	25	1,061,150 00	
*Pennsylvania and New York Canal and R. R. Co. . . . .	21,024	50	1,051,200 00	
*Perth Amboy and Raritan Ry. Co. . . . .	600	\$20 paid.	12,000 00	
*Pittstown Branch Ry. Co. . . . .	400	100	40,000 00	
*Rochester Southern R. R. Co. . . . .	8,000	100	800,000 00	
*Schuylkill and Lehigh Valley R. R. Co. . . . .	39,968	50	1,998,400 00	
*Waverly and State Line R. R. Co. . . . .	100	100	10,000 00	
*Westwood Coal Co. . . . .	3,300	50	165,000 00	
*Wilkes-Barre and Harvey's Lake R. R. Co. . . . .	3,000	50	150,000 00	
*Wyoming Valley Coal Co. . . . .	9,222	100	922,200 00	
§Coal Ridge Improvement and Coal Co. . . . .	52,968	25	1,324,200 00	
§Coal Ridge Improvement and Coal Co., preferred . . . . .	4,894	25	122,350 00	
§Mineral Spring Coal Co. . . . .	3,000	100	300,000 00	
†*Easton and Amboy R. R. Co. . . . .	60,000	100	6,000,000 00	
‡§National Docks Ry. Co. . . . .	38,540	100	3,854,000 00	
Amount carried forward . . . . .			\$42,033,860 00	\$13,356,500 00

\* Covered by mortgage and collateral trust deed.

‡ Partially covered by mortgage and collateral trust deed, as follows: Hazleton Coal Co. bonds, 1921; Coal Ridge Improvement and Coal Co. common stock, 32,302 shares, preferred, 3,460 shares; National Docks Ry. Co., 19,270 shares; Mineral Spring Coal Co., 1,959 shares.

† Owned by Lehigh Valley Terminal Ry. Co.

‡ Lehigh Valley Terminal Ry. owns 19,270 shares.

STATEMENT OF SECURITIES OWNED.—(Continued.)

STOCKS.—Continued.	SHARES.	EACH.	PAR VALUE.	TOTAL.
Amount brought forward . . . . .			\$42,033,860 00	\$13,356,500 00
Buffalo, Thousand Islands and Portland R. R. Co.	2,500	\$100	250,000 00	
Connell Coal Co. . . . .	5,000	100	500,000 00	
Consolidated Real Estate Co. . . . .	100	50	5,000 00	
Delano Water Co. . . . .	200	\$5 paid.	1,000 00	
Hazleton Water Co. . . . .	5,000	50	250,000 00	
Hazle Water Co. . . . .	100	\$5 paid.	500 00	
Island R. R. Co. . . . .	500	100	50,000 00	
Jersey City Belt Line Ry. Co. . . . .	600	\$20 paid.	12,000 00	
Lehigh and Lake Erie R. R. Co. . . . .	250	\$100	25,000 00	
Locust Mountain Coal and Iron Co. . . . .	27	50	1,350 00	
Locust Mountain Water Co. . . . .	1,000	50	50,000 00	
Middlesex Ry. Co. . . . .	100	\$20 paid.	2,000 00	
Middlesex Valley R. R. Co. . . . .	5,000	\$100	500,000 00	
Montrose Ry. Co. . . . .	3,361	50	168,050 00	
Morris Canal and Banking Co., consolidated . .	3,183	100	318,300 00	
Morris Canal and Banking Co., preferred . . .	2,714	100	271,400 00	
Morris Canal and Banking Co., scrip . . . . .			56,597 50	
Mutual Elevator Co. . . . .	150	100	15,000 00	
National Storage Co. . . . .	24,000	100	2,400,000 00	
Newark Bay Ry. Co. . . . .	500	\$20 paid.	10,000 00	
Packer Coal Co. . . . .	76	50	3,800 00	
Paxinosa Land and Improvement Co. . . . .	200	50	10,000 00	
Penn Haven Junction and Glen Onoko R. R. Co.,	1,200	\$5 paid.	6,000 00	
People's Ry. Co. . . . .	348	20	6,960 00	
Philadelphia Harbor Transfer . . . . .			20,000 00	
Pioneer Real Estate Co. . . . .	25	100	2,500 00	
Righter Coal Co. . . . .	3,000	100	300,000 00	
Seneca Coal Co. . . . .	1,000	100	100,000 00	
Seneca County Ry. Co. . . . .	100	100	10,000 00	
Stony Creek R. R. Co. . . . .	400	50	20,000 00	
United Real Estate Co. . . . .	10	100	1,000 00	
Weatherly Water Co. . . . .	600	10	6,000 00	
Wright Township Water Co. . . . .	100	\$5 paid.	500 00	47,406,817 50
Total par value . . . . .				\$60,763,317 50

SUMMARY.

Value of bonds as per books . . . . .	\$11,748,180 52
Value of stocks as per books . . . . .	36,257,928 50
Total . . . . .	\$48,006,109 02
Total par value of bonds and stocks . . . . .	\$60,763,317 50
Value as per Lehigh Valley R. R. Co. books . . . . .	\$40,079,109 02
Value as per Lehigh Valley Terminal Ry. Co. books . . . . .	7,927,000 00
Total book value of bonds and stocks . . . . .	\$48,006,109 02

INCOME FROM INVESTMENTS AND OTHER SOURCES FOR THE  
YEAR ENDED JUNE 30TH, 1903.

TABLE 7.

## DIVIDENDS ON STOCKS:—

National Docks Railway Company . . . . .	\$96,350 00	
New York and Middle Coal Field Railroad and Coal Company . . . . .	55,179 80	
Highland Coal Company . . . . .	12,000 00	
Buffalo Creek Railroad Company . . . . .	8,750 00	
People's Railway Company . . . . .	522 00	
Weatherly Water Company . . . . .	360 00	
Philadelphia Harbor Transfer, surplus . . . . .	10,000 00	
		<u>\$183,161 80</u>

## INTEREST ON BONDS:—

Lehigh Valley Coal Company . . . . .	\$70,000 00	
Coal Ridge Improvement and Coal Company . . . . .	23,070 00	
		<u>93,070 00</u>

INTEREST ON MORTGAGES . . . . .		38,522 56
---------------------------------	--	-----------

## INCOME FROM OTHER SOURCES:—

Interest receivable . . . . .	\$70,196 01	
Easton and Northern Railroad, net earnings . . . . .	22,819 93	
		<u>93,015 94</u>
Total . . . . .		<u>\$407,770 30</u>

## MISCELLANEOUS EARNINGS.

Trackage . . . . .	\$628,123 08
Car service . . . . .	341,560 67
Rents . . . . .	189,101 44
Excess baggage and storage . . . . .	31,300 37
Hire of equipment . . . . .	15,590 47
Telegraph earnings . . . . .	12,990 48
Chair car earnings . . . . .	4,354 10
News stand earnings . . . . .	4,024 35
Storage, &c. . . . .	38,289 37
Total . . . . .	<u>\$1,265,334 33</u>

STATEMENT OF AMOUNTS DUE BY RAILROAD AND WATER LINES IN LEHIGH VALLEY SYSTEM FOR ADVANCES ON ACCOUNT OF CONSTRUCTION AND NEW PROPERTY.

TABLE 8.

RAILROADS:—

Depew and Tonawanda Railroad Company . . . . .	\$243,571 18	
Easton and Amboy Railroad Company . . . . .	119,273 87	
Easton and Northern Railroad Company . . . . .	516,764 30	
Elmira, Cortland and Northern Railroad . . . . .	1,037 48	
Greenville and Hudson Railway Company . . . . .	436,722 39	
Jersey City Belt Line Railway Company . . . . .	41,401 76	
Lehigh and Lake Erie Railroad Company . . . . .	457,426 68	
Lehigh Valley Rail Way Company of New York . . . . .	3,909,533 92	
Loyalsock Railroad Company . . . . .	172,840 09	
Middlesex Railway Company . . . . .	2,253 57	
Newark Bay Railway Company . . . . .	3,178 83	
Pennsylvania and New York Canal and Railroad Company . . . . .	10,012 58	
Perth Amboy and Raritan Railway Company . . . . .	60,227 12	
Pittstown Branch Railway Company . . . . .	19,535 92	
Rochester Southern Railroad Company . . . . .	65,610 49	
Seneca County Railway Company . . . . .	134,063 98	
Wilkes-Barre and Harvey's Lake Railroad Company . . . . .	205,861 23	
		\$6,399,315 39

WATER LINES:—

Lehigh Valley Transportation Company, N. J. . . . .	\$307,252 71	
Morris Canal . . . . .	2,200 00	
		309,452 71
Total advances to railroad and water lines as per balance sheet . . . . .		\$6,708,768 10

## EARNINGS AND EXPENSES, EXCLUSIVE OF WATER LINES, FOR THE YEAR ENDED JUNE

TABLE 9.

		EARNINGS.					
		COAL TRAFFIC.	FREIGHT TRAFFIC.	PASSENGER TRAFFIC.	EXPRESS AND MAIL.	RENTS AND MISCELLANEOUS.	GROSS EARNINGS.
July,	1902 . . . . .	\$80,206 89	\$787,708 83	\$282,841 47	\$32,808 08	\$64,217 80	\$1,247,783 07
August,	“ . . . . .	105,191 77	887,691 74	375,465 53	33,252 79	47,215 69	1,448,817 52
September,	“ . . . . .	98,300 64	973,795 91	301,865 99	32,835 32	51,763 16	1,458,561 02
October,	“ . . . . .	252,879 56	1,119,341 68	292 499 80	33,642 81	62,237 16	1,760,601 01
November,	“ . . . . .	1,097,795 70	1,090,258 14	229,869 17	33,585 81	126,601 10	2,578,109 92
December,	“ . . . . .	1,163,976 77	898,978 49	254,543 57	33,583 67	132,073 99	2,483,156 49
January,	1903 . . . . .	1,381,019 92	873,213 13	180,317 25	33,601 64	146,941 76	2,615,093 70
February,	“ . . . . .	1,173,801 96	827,336 01	194,159 34	33,687 16	124,319 70	2,353,304 17
March,	“ . . . . .	1,386,010 74	1,039,155 59	233,863 52	34,277 57	109,773 24	2,803,080 66
April,	“ . . . . .	1,153,002 33	1,037,214 57	231,408 42	33,797 60	125,327 81	2,580,750 73
May,	“ . . . . .	1,090,060 19	1,061,372 62	322,410 08	33,812 10	116,442 73	2,624,097 72
June,	“ . . . . .	1,122,517 93	1,013,639 65	292,394 49	114,174 99	158,420 19	2,701,147 25
Total year ended June 30, 1903 .		\$10,104,764 40	\$11,609,706 36	\$3,191,638 63	\$483,059 54	\$1,265,334 33	\$26,654,503 26
Total year ended June 30, 1902 .		9,328,959 09	9,627,286 35	3,664,820 27	460,855 54	838,046 70	23,919,967 95
Increase . . . . .		\$775,805 31	\$1,982,420 01	. . . . .	\$22,204 00	\$427,287 63	\$2,734,535 31
Decrease . . . . .		. . . . .	. . . . .	\$473,181 64	. . . . .	. . . . .	. . . . .
Increase, per cent. . . . .		8.32	20.59	. . . . .	4.82	50.99	11.43
Decrease, “ . . . . .		. . . . .	. . . . .	12.91	. . . . .	. . . . .	. . . . .

30TH, 1903, COMPARED WITH TOTALS FOR THE YEAR ENDED JUNE 30TH, 1902.

OPERATING EXPENSES.					NET EARNINGS.	
MAINTENANCE OF WAY.	MAINTENANCE OF EQUIPMENT.	CONDUCTING TRANSPORTATION.	GENERAL EXPENSES	TOTAL EXPENSES.		
\$371,120 22	\$365,632 63	\$668,588 09	\$48,496 20	\$1,453,837 14	*	\$206,054 07
383,269 82	395,249 34	664,017 63	45,123 91	1,487,660 70	*	38,843 18
399,490 14	360,982 24	687,668 08	44,999 05	1,493,139 51	*	34,578 49
371,399 56	397,283 59	748,665 40	53,518 33	1,570,866 88		189,734 13
349,605 74	400,522 70	820,222 39	47,459 27	1,617,810 10		960,299 82
322,819 06	386,642 80	883,732 66	53,931 77	1,647,126 29		836,030 20
260,758 57	431,172 67	874,276 27	64,763 02	1,630,970 53		984,123 17
261,460 97	405,767 33	824,219 45	52,538 33	1,543,986 08		809,318 09
291,553 42	432,474 20	845,741 09	62,437 91	1,632,206 62		1,170,874 04
357,106 68	400,972 54	888,383 55	43,825 55	1,690,288 32		890,462 41
394,807 29	390,018 78	825,274 42	54,258 60	1,664,359 09		959,738 63
335,777 41	327,676 25	836,294 06	48,180 68	1,547,928 40		1,153,218 85
\$4,099,168 88	\$4,694,395 07	\$9,567,083 09	\$619,532 62	\$18,980,179 66		\$7,674,323 60
3,689,987 12	4,654,257 50	8,898,286 97	738,667 14	17,981,198 73		5,938,769 22
\$409,181 76	\$40,137 57	\$668,796 12	.....	\$998,980 93		\$1,735,554 38
.....	.....	.....	\$119,134 52	.....		.....
11.09	.86	7.52	.....	5.56		29.23
.....	.....	.....	16.13	.....		.....

\* Deficit.

STATEMENT OF EARNINGS AND EXPENSES, EXCLUSIVE OF WATER LINES, FOR NINE  
YEARS, 1895 TO 1903 INCLUSIVE

TABLE 10.

## EARNINGS.

YEARS ENDED JUNE 30TH.	COAL TRAFFIC.	FREIGHT TRAFFIC.	PASSENGER TRAFFIC.	EXPRESS AND MAIL.	MISCELLANEOUS SOURCES.	GROSS EARNINGS.	NET EARNINGS, TAXES NOT DEDUCTED.
1895 . . . . .	\$7,808,278 81	\$6,564,362 99	\$2,183,715 08	\$276,700 25	\$1,231,210 47	\$18,064,267 60	\$4,487,234 92
1896 . . . . .	7,382,480 53	7,128,909 05	2,478,796 48	326,266 11	1,255,782 68	18,572,234 85	4,443,063 12
1897 . . . . .	7,691,918 11	7,579,243 06	2,582,536 88	343,740 33	1,061,137 88	19,258,576 26	5,172,133 02
1898 . . . . .	7,935,807 94	7,675,855 58	2,726,111 03	401,392 57	1,094,836 05	19,834,003 17	5,918,369 68
1899 . . . . .	9,051,739 56	7,622,155 52	2,660,492 79	397,928 48	1,188,529 57	20,920,845 92	5,314,320 24
1900 . . . . .	9,963,376 90	8,933,000 10	2,926,403 18	399,754 03	1,229,882 37	23,452,416 58	5,348,591 23
1901 . . . . .	9,636,802 48	9,272,317 07	2,989,004 24	424,083 35	1,160,359 50	23,482,566 64	4,814,542 36
1902 * . . . .	9,328,959 09	9,627,286 35	3,664,820 27	460,855 54	838,046 70	23,919,967 95	5,938,769 22
1903 * . . . .	10,104,764 40	11,609,706 36	3,191,638 63	483,059 54	1,265,334 33	26,654,503 26	7,674,323 60

The percentage of each class of earnings to gross earnings is as follows:—

	1895	1896	1897	1898	1899	1900	1901	1902	1903
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Coal traffic . . . . .	43.22	39.75	39.94	40.01	43.27	42.49	41.04	39.00	37.91
Freight traffic . . . . .	36.34	38.38	39.36	38.70	36.43	38.09	39.49	40.25	43.56
Passenger traffic . . . . .	12.09	13.35	13.41	13.75	12.72	12.48	12.72	15.32	11.97
Express and mail . . . . .	1.53	1.76	1.78	2.02	1.90	1.70	1.81	1.93	1.81
Miscellaneous sources . . . . .	6.82	6.76	5.51	5.52	5.68	5.24	4.94	3.50	4.75

## OPERATING EXPENSES.

YEARS ENDED JUNE 30TH.	MAINTENANCE OF WAY.	MAINTENANCE OF EQUIPMENT.	CONDUCTING TRANSPORTATION.	GENERAL EXPENSES.	TOTAL OPERATING EXPENSES.	RATIO OF TOTAL EX- PENSES TO EARNINGS.
						Per Cent.
1895 . . . . .	\$1,747,559 90	\$2,327,659 60	\$8,920,749 95	\$581,063 23	\$13,577,032 68	75.16
1896 . . . . .	1,974,016 79	2,680,762 07	8,907,843 63	566,549 24	14,129,171 73	76.07
1897 . . . . .	2,107,070 20	2,564,658 58	8,841,512 49	573,201 97	14,086,443 24	73.14
1898 . . . . .	1,735,135 89	3,239,403 80	8,369,904 83	571,188 97	13,915,633 49	70.16
1899 . . . . .	2,851,344 08	3,345,742 18	8,831,958 29	577,481 13	15,606,525 68	74.60
1900 . . . . .	3,687,084 39	4,335,768 55	9,428,893 60	652,078 81	18,103,825 35	77.20
1901 . . . . .	4,241,717 04	4,316,861 72	9,374,299 48	735,146 04	18,668,024 28	79.50
1902 * . . . .	3,689,987 12	4,654,257 50	8,898,286 97	738,667 14	17,981,198 73	75.17
1903 * . . . .	4,099,168 88	4,694,395 07	9,567,083 09	619,532 62	18,980,179 66	71.21

The ratio of each class of operating expenses to gross earnings is as follows:—

	1895	1896	1897	1898	1899	1900	1901	1902	1903
	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.	Per Cent.
Maintenance of way . . . . .	9.67	10.63	10.94	8.75	13.63	15.72	18.07	15.42	15.38
Maintenance of equipment . . . . .	12.89	14.43	13.32	16.33	15.99	18.49	18.38	19.46	17.61
Conducting transportation . . . . .	49.38	47.96	45.91	42.20	42.22	40.21	39.92	37.20	35.89
General expenses . . . . .	3.22	3.05	2.97	2.88	2.76	2.78	3.13	3.09	2.33

\* Commencing with the year 1902, Car Service and Hire of Equipment credit balances are included in Miscellaneous Earnings, instead of being deducted from Expenses.

## INVENTORY OF EQUIPMENT, JUNE 30TH, 1903.

TABLE 11.

LOCOMOTIVES . . . . .	765	ROAD SERVICE EQUIPMENT:—	
Tractive power (pounds) . . . . .	17,860,401	Air-brake instruction . . . . .	1
		Box . . . . .	3
PASSENGER CAR EQUIPMENT:—		Business . . . . .	2
Passenger . . . . .	245	Derrick . . . . .	32
Chair . . . . .	5	Flat . . . . .	117
Dining . . . . .	6	Gondola . . . . .	55
Café . . . . .	3	Gravel dump . . . . .	428
Business . . . . .	3	Hoister . . . . .	1
Combination . . . . .	67	Hospital . . . . .	1
Baggage and mail . . . . .	27	Pile driver . . . . .	3
Express . . . . .	54	Pole . . . . .	15
Fruit . . . . .	11	Scale test . . . . .	2
Postal . . . . .	3	Snow flangers . . . . .	22
Milk . . . . .	66	Snow plows . . . . .	7
Total . . . . .	490	Steam shovels . . . . .	6
		Supply . . . . .	6
FREIGHT CAR EQUIPMENT:—		Tool . . . . .	45
Box . . . . .	17,508	Tunnel . . . . .	6
Stock . . . . .	165	Workmen's . . . . .	111
Lime . . . . .	1	Total . . . . .	863
Refrigerator . . . . .	94		
Produce . . . . .	772	* FLOATING EQUIPMENT:—	
Furniture . . . . .	2	Lake steamers . . . . .	6
Bark . . . . .	22	Tugs . . . . .	21
Flat . . . . .	292	Steam lighters . . . . .	5
Gondola . . . . .	2,196	Barges . . . . .	137
Coal . . . . .	13,664	Car floats . . . . .	21
Cabooses . . . . .	341	Water boats . . . . .	2
Total . . . . .	35,057	Wrecking boats . . . . .	1
		Dredges . . . . .	2
TONS CAPACITY . . . . .	1,028,117	Total . . . . .	195

\* Does not include Morris Canal equipment.

TABLE 12.

## CLASSIFICATION OF EARNINGS AND EXPENSES

EARNINGS.	1903	1902	INCREASE.	DECREASE.
Coal . . . . .	\$10,104,764 40	\$9,328,959 09	\$775,805 31	. . . . .
Freight . . . . .	11,609,706 36	9,627,286 35	1,982,420 01	. . . . .
Passenger . . . . .	3,191,638 63	3,664,820 27	. . . . .	\$473,181 64
Express . . . . .	278,399 62	256,107 08	22,292 54	. . . . .
Mail . . . . .	204,659 92	204,748 46	. . . . .	88 54
Miscellaneous . . . . .	1,265,334 33	838,046 70	427,287 63	. . . . .
Amounts carried forward . . . .	\$26,654,503 26	\$23,919,967 95	\$2,734,535 31	. . . . .

FOR THE YEARS ENDED JUNE 30TH, 1903 AND 1902.

	1903	1902	INCREASE.	DECREASE.
MAINTENANCE OF WAY AND STRUCTURES:—				
Superintendence . . . . .	\$119,827 89	\$109,897 73	\$9,930 16	
Repairs of roadway . . . . .	1,822,063 73	1,722,768 79	99,294 94	
Renewals of rails . . . . .	173,719 04	329,324 33		\$155,605 29
Renewals of ties . . . . .	606,294 88	538,522 30	67,772 58	
Repairs and renewals of bridges and culverts	589,133 92	464,517 29	124,616 63	
Repairs and renewals of fences, road cross- ings, signs, and cattle guards . . . . .	62,867 05	80,263 43		17,396 38
Repairs and renewals of buildings and fixtures	506,839 56	311,317 72	195,521 84	
Repairs and renewals of docks and wharves .	132,394 52	56,980 86	75,413 66	
Repairs and renewals of telegraph . . . . .	36,157 91	46,434 99		10,277 08
Expenses and repairs Company's real estate .	44,260 31	23,280 29	20,980 02	
Stationery and printing . . . . .	3,995 65	3,650 68	344 97	
Other expenses . . . . .	1,614 42	3,028 71		1,414 29
Total maintenance of way and structures .	\$4,099,168 88	\$3,689,987 12	\$409,181 76	
MAINTENANCE OF EQUIPMENT:—				
Superintendence . . . . .	\$42,845 88	\$6,990 56	\$35,855 32	
Clerks and office expenses . . . . .	78,749 11	75,621 78	3,127 33	
Repairs and renewals of locomotives . . . .	2,045,285 16	2,110,033 59		\$64,748 43
Repairs and renewals of freight cars . . . .	1,799,591 45	1,681,022 57	118,568 88	
Repairs and renewals of passenger cars . .	383,431 04	363,538 37	19,892 67	
Repairs and renewals of work cars . . . . .	32,529 34	17,090 60	15,438 74	
Repairs and renewals of marine equipment .	169 67	213 27		43 60
Repairs and renewals of shop machinery and tools . . . . .	154,059 67	204,274 38		50,214 71
Stationery and printing . . . . .	9,773 19	9,234 24	538 95	
Other expenses . . . . .	147,960 56	186,238 14		38,277 58
Total maintenance of equipment . . . . .	\$4,694,395 07	\$4,654,257 50	\$40,137 57	

## CLASSIFICATION OF EARNINGS AND EXPENSES

FOR THE YEARS ENDED JUNE 30TH, 1903 AND 1902.—Continued.

	1903	1902	INCREASE.	DECREASE.
CONDUCTING TRANSPORTATION:—				
Superintendence . . . . .	\$127,399 46	\$103,901 55	\$23,497 91	
Clerks and office expenses . . . . .	251,208 81	198,848 92	52,359 89	
Engine and roundhousemen . . . . .	1,458,691 11	1,434,406 36	24,284 75	
Fuel for locomotives . . . . .	2,243,437 43	1,928,942 01	314,495 42	
Water supply for locomotives . . . . .	89,917 96	85,958 80	3,959 16	
Oil, tallow, and waste for locomotives . .	67,539 55	39,256 59	28,282 96	
Other supplies for locomotives . . . . .	31,199 94	31,549 24		\$349 30
Train service . . . . .	988,525 91	986,262 89	2,263 02	
Train supplies and expenses . . . . .	204,512 28	217,847 53		13,335 25
Switchmen, flagmen, and watchmen . . .	791,059 88	740,503 60	50,556 28	
Telegraph expenses . . . . .	245,102 26	251,729 42		6,627 16
Station service . . . . .	1,153,278 24	1,101,320 29	51,957 95	
Station supplies and expenses . . . . .	157,161 53	152,348 53	4,813 00	
Switching charges . . . . .	38,330 02	32,112 06	6,217 96	
Loss and damage . . . . .	106,744 97	95,484 65	11,260 32	
Injuries to persons . . . . .	112,714 42	55,398 40	57,316 02	
Clearing wrecks . . . . .	32,514 26	32,412 80	101 46	
Operating marine equipment . . . . .	368 72	11,073 95		10,705 23
Advertising . . . . .	60,422 48	73,349 51		12,927 03
Outside agencies . . . . .	411,096 33	409,796 94	1,299 39	
Stock yards and elevators . . . . .	15,589 60	13,977 95	1,611 65	
Rents of tracks, yards, and terminals . .	602,257 94	566,292 84	35,965 10	
Rents of buildings and other property . .	273,565 87	232,205 45	41,360 42	
Stationery and printing . . . . .	89,596 84	93,380 59		3,783 75
Other expenses . . . . .	14,847 28	9,926 10	4,921 18	
Total conducting transportation . . . . .	\$9,567,083 09	\$8,898,286 97	\$668,796 12	
GENERAL EXPENSES:—				
Salaries of general officers . . . . .	\$99,447 29	\$120,700 20		\$21,252 91
Salaries of clerks and attendants . . . . .	239,744 46	264,613 73		24,869 27
General office expenses and supplies . . .	22,785 90	67,123 82		44,337 92
Insurance . . . . .	110,983 15	100,706 35	\$10,276 80	
Legal expenses . . . . .	78,498 22	93,795 54		15,297 32
Stationery and printing . . . . .	24,607 51	27,838 33		3,230 82
Other expenses . . . . .	43,466 09	63,889 17		20,423 08
Total general expenses . . . . .	\$619,532 62	\$738,667 14		\$119,134 52
TOTAL OPERATING EXPENSES . . . . .	\$18,980,179 66	\$17,981,198 73	\$998,980 93	
NET EARNINGS . . . . .	7,674,323 60	5,938,769 22	1,735,554 38	

## PERFORMANCE OF LOCOMOTIVES (ENTIRE SYSTEM)

TABLE 13.

LOCOMOTIVE MILEAGE.	YEARS ENDED JUNE 30TH.		INCREASE.	DECREASE.
	1903	1902		
Passenger . . . . .	3,770,417	4,010,713		240,296
Freight and coal . . . . .	7,481,675	7,323,684	157,991	
Express . . . . .	305,807	277,411	28,396	
Special . . . . .	58,542	51,744	6,798	
Work . . . . .	1,368,435	1,068,216	300,219	
Helping, freight and coal . . . . .	583,934	685,556		101,622
Helping, passenger . . . . .	93,876	131,972		38,096
Light . . . . .	782,274	921,424		139,150
Switching . . . . .	4,125,777	4,102,591	23,186	
Total . . . . .	18,570,737	18,573,311		2,574
Average passenger . . . . .	46,125	46,216		91
Average freight and coal . . . . .	29,177	27,729	1,448	
Average switching and other . . . . .	31,943	29,717	2,226	
Average all services . . . . .	32,869	31,480	1,389	
Percentage of passenger helping . . . . .	2.14	2.83		0.69
Percentage of freight and coal helping . . . . .	6.71	7.85		1.14
Greatest mileage made by an engine in passenger service . . . . .	93,657	108,068		14,411
Greatest mileage made by an engine in freight service . . . . .	49,054	48,825	229	
CAR MILEAGE.				
Passenger, express and special . . . . .	19,690,197	20,984,040		1,293,843
Freight and coal, loaded . . . . .	186,837,978	176,081,318	10,756,660	
Freight and coal, empty . . . . .	86,895,702	78,181,733	8,713,969	
Work, loaded and empty . . . . .	1,049,787	1,155,911		106,124
Caboose . . . . .	7,149,333	6,966,966	182,367	
Total . . . . .	301,622,997	283,369,968	18,253,029	
Average cars per draft, passenger . . . . .	4.8	4.8		
Average cars per draft, freight (loaded basis) . . . . .	31.2	29.9	1.3	
Average cars per draft, work (loaded basis) . . . . .	0.6	0.8		0.2

\* Two empty freight cars equaling one loaded; caboose mileage included in empty mileage.

FOR YEARS ENDED JUNE 30TH, 1903 AND 1902.

	YEARS ENDED JUNE 30TH.		INCREASE.	DECREASE.
	1903	1902		
FUEL COAL USED PER MILE.				
Passenger locomotive . . . . .	POUNDS. 95.1	POUNDS. 97.5	POUNDS. . . . . .	POUNDS. 2.4
Freight and coal locomotive . . . . .	188.6	182.1	6.5	. . . . .
Switching and other locomotive . . . . .	89.0	72.5	16.5	. . . . .
All services . . . . .	137.0	130.3	6.7	. . . . .
Passenger car . . . . .	21.2	22.1	. . . . .	0.9
Freight and coal car . . . . .	7.1	7.3	. . . . .	0.2
OIL AND WASTE.				
Lubricating oil, locomotive miles, per pint . . . . .	MILES. 23.29	MILES. 22.80	MILES. 0.49	MILES. . . . . .
Cylinder oil, locomotive miles, per pint . . . . .	66.84	72.17	. . . . .	5.33
Waste, locomotive miles, per pound . . . . .	75.02	78.90	. . . . .	3.88
COST PER LOCOMOTIVE MILE.				
Fuel . . . . .	CENTS. 12.08	CENTS. 10.39	CENTS. 1.69	CENTS. . . . . .
Oil and waste . . . . .	0.38	0.38	. . . . .	. . . . .
Other supplies . . . . .	0.17	0.17	. . . . .	. . . . .
Water supply . . . . .	0.48	0.46	0.02	. . . . .
Enginemen and firemen . . . . .	6.20	6.14	0.06	. . . . .
Roundhousemen . . . . .	1.66	1.58	0.08	. . . . .
Repairs (excluding renewals) . . . . .	10.01	9.29	0.72	. . . . .
Total . . . . .	30.98	28.41	2.57	. . . . .
Total, including renewals . . . . .	32.18	30.52	1.66	. . . . .
COST PER CAR MILE.				
Fuel . . . . .	CENTS. 0.90	CENTS. 0.82	CENTS. 0.08	CENTS. . . . . .
Oil and waste . . . . .	0.03	0.03	. . . . .	. . . . .
Other supplies . . . . .	0.01	0.01	. . . . .	. . . . .
Water supply . . . . .	0.04	0.04	. . . . .	. . . . .
Enginemen and firemen . . . . .	0.46	0.48	. . . . .	0.02
Roundhousemen . . . . .	0.12	0.12	. . . . .	. . . . .
Repairs (excluding renewals) . . . . .	0.74	0.73	0.01	. . . . .
Total . . . . .	2.30	2.23	0.07	. . . . .
Total, including renewals . . . . .	2.39	2.39	. . . . .	. . . . .

ENGINE, TRAIN, AND CAR STATISTICS FOR THE YEARS ENDED  
JUNE 30TH, 1903 AND 1902.

TABLE 14.

	1903	1902	PERCENTAGE OF INCREASE OR DECREASE.	
TRAIN AND ENGINE MILEAGE.				
Miles run by passenger trains . . . . .	4,076,224	4,288,124	Dec.	4.94
Miles run by freight trains . . . . .	7,481,675	7,323,684	Inc.	2.16
Total revenue train miles . . . . .	11,557,899	11,611,808	Dec.	.46
Miles run by work trains . . . . .	1,368,435	1,068,216	Inc.	28.10
Miles run by special trains . . . . .	58,542	51,744	Inc.	13.14
Total train mileage . . . . .	12,984,876	12,731,768	Inc.	1.99
Miles run by yard switching engines . . . . .	4,125,777	4,102,591	Inc.	.56
Miles run by engines in helping service . . . . .	677,810	817,528	Dec.	17.09
Miles run by engines in light service . . . . .	782,274	921,424	Dec.	15.10
Total engine mileage . . . . .	18,570,737	18,573,311	Dec.	.01
CAR STATISTICS.				
Mileage of loaded freight cars . . . . .	186,837,978	176,081,318	Inc.	6.11
Mileage of empty freight cars . . . . .	86,895,702	78,181,733	Inc.	11.14
Mileage of caboose cars . . . . .	7,149,333	6,966,966	Inc.	2.62
Total mileage of freight train cars . . . . .	280,883,013	261,230,017	Inc.	7.52
Mileage of passenger cars, including Pullman cars . . . . .	10,745,166	11,877,993	Dec.	9.55
Mileage of baggage, mail, express, and dining cars . . . . .	8,888,622	9,050,355	Dec.	1.79
Total mileage of passenger train cars . . . . .	19,633,788	20,928,348	Dec.	6.19
Mileage of work cars . . . . .	1,049,787	1,155,911	Dec.	9.18
Mileage of special train cars . . . . .	56,409	55,692	Inc.	1.29
Total mileage of non-revenue cars . . . . .	1,106,196	1,211,603	Dec.	8.70
Total mileage of all cars . . . . .	301,622,997	283,369,968	Inc.	6.44
Average number of loaded freight cars in train . . . . .	24.97	24.04	Inc.	3.87
Average number of empty freight cars in train . . . . .	12.57	11.63	Inc.	8.08
Average number of cars in each freight train . . . . .	37.54	35.67	Inc.	5.24
*Percentage of loaded cars in each train . . . . .	66.52	67.40	Dec.	1.30
Average miles run per freight car per day (including foreign)	25.75	23.98	Inc.	7.38
Average daily mileage of foreign freight cars on lines of Le- high Valley System . . . . .	40.18	27.31	Inc.	47.12
Average number of passenger cars in train . . . . .	2.64	2.77	Dec.	4.69
Average number of baggage, mail, express, and dining cars in train . . . . .	2.18	2.11	Inc.	3.32
Average number of cars in each passenger train . . . . .	4.82	4.88	Dec.	1.23
Average miles run per passenger car per day . . . . .	95.91	94.74	Inc.	1.23

\* Caboose included in empty mileage.

MILEAGE, HAUL, LOAD, RATE, &c. (ENTIRE SYSTEM), FOR THE YEARS ENDED  
JUNE 30TH, 1903 AND 1902.

TABLE 15.

PASSENGER.	1903	1902	INCREASE.	DECREASE.	PER CENT. OF INCREASE OR DECREASE
Train mileage . . . . .	3,770,417	4,010,713	. . . . .	240,296	5.99
Car mileage . . . . .	10,745,166	11,877,993	. . . . .	1,132,827	9.55
Average cars per train . . . . .	4.82	4.88	. . . . .	.06	1.23
Passengers carried . . . . .	4,148,477	4,308,497	. . . . .	160,020	3.71
Average passengers per train . . . . .	45.12	52.00	. . . . .	6.88	13.23
Average passengers per car . . . . .	15.83	17.56	. . . . .	1.73	9.85
Passengers carried one mile . . . . .	170,118,364	208,561,926	. . . . .	38,443,562	18.43
Average haul . . . . .	41.01 miles	48.41 miles.	. . . . .	7.40 miles.	15.28
*Earnings . . . . .	\$3,191,638 63	\$3,664,820 27	. . . . .	\$473,181 64	12.91
Average per train mile . . . . .	84.65 cents.	91.38 cents.	. . . . .	6.73 cents.	7.36
Average per passenger per mile . . . . .	1.876 cents.	1.757 cents.	.119 cent.	. . . . .	6.77
FREIGHT.					
Train mileage . . . . .	7,481,675	7,323,684	157,991	. . . . .	2.16
Car mileage . . . . .	280,883,013	261,230,017	19,652,996	. . . . .	7.52
Average cars per train . . . . .	37.54	35.67	1.87	. . . . .	5.24
Tonnage . . . . .	19,920,132	18,174,886	1,745,246	. . . . .	9.60
Average tons per train mile . . . . .	485.52	466.83	18.69	. . . . .	4.00
Average tons per loaded car mile . . . . .	19.44	19.42	.02	. . . . .	.10
Ton miles . . . . .	3,632,481,459	3,418,884,789	213,596,670	. . . . .	6.25
Average haul . . . . .	182.35 miles.	188.11 miles.	. . . . .	5.76 miles.	3.06
Earnings . . . . .	\$21,714,470 76	\$18,956,245 44	\$2,758,225 32	. . . . .	14.55
Average per train mile . . . . .	\$2.9023	\$2.5883	\$.3140	. . . . .	12.13
Average per ton per mile . . . . .	.598 cent.	.554 cent.	.044 cent.	. . . . .	7.94

\* Express and mail earnings not included.

TABLE 16.

## ANALYSIS OF TRAFFIC EARNINGS AND EXPENSES

EARNINGS, EXPENSES, AND NET EARNINGS.	YEARS ENDED JUNE 30TH.		INCREASE.	PER CENT.	DECREASE.	PER CENT.
	1903	1902				
Average miles of road operated . . . . .	1,392.15	1,387.24	4.91	.35		
Total revenue train miles . . . . .	11,557,899	11,611,808			53,909	.46
Freight and passenger revenue . . . . .	\$24,906,109 39	\$22,621,065 71	\$2,285,043 68	10.10		
Freight and passenger revenue per mile of road	17,890 39	16,306 53	1,583 86	9.71		
Gross earnings, railroad . . . . .	26,654,503 26	23,919,967 95	2,734,535 31	11.43		
Gross earnings per mile of road . . . . .	19,146 29	17,242 85	1,903 44	11.03		
Gross earnings per revenue train mile . . .	2.306	2.060	.246	11.94		
Operating expenses, railroad . . . . .	18,980,179 66	17,981,198 73	998,980 93	5.56		
Operating expenses per mile of road . . . .	13,633 72	12,961 85	671 87	5.18		
Operating expenses per revenue train mile .	1.642	1.549	.093	6.00		
Net earnings, railroad . . . . .	7,674,323 60	5,938,769 22	1,735,554 38	29.22		
Net earnings per mile of road . . . . .	5,512 57	4,281 00	1,231 57	28.77		
Net earnings per revenue train mile . . . .	.664	.511	.153	29.95		
PASSENGER.						
Passenger revenue . . . . .	\$3,191,638 63	\$3,664,820 27			\$473,181 64	12.91
Passenger train earnings . . . . .	3,720,770 86	4,169,034 15			448,263 29	10.75
Number of passengers carried . . . . .	4,148,477	4,308,497			160,020	3.71
Number of passengers carried one mile . . .	170,118,364	208,561,926			38,443,562	18.43
Average distance each passenger carried . .	41.01 miles.	48.41 miles.			7.40 miles.	15.28
Average number of passengers one mile per mile of road . . . . .	122,198	150,343			28,145	18.72
Average revenue per passenger . . . . .	76.94 cents.	85.06 cents.			8.12 cents.	9.54
Average revenue per passenger per mile . . .	1.876 cents.	1.757 cents.	.119 cent.	6.77		
Passenger train mileage . . . . .	3,770,417	4,010,713			240,296	5.99
Passenger train mileage (including express) .	4,076,224	4,288,124			211,900	4.94
Passenger revenue per mile of road . . . . .	\$2,292 60	\$2,641 81			\$349 21	13.22
Passenger revenue per train mile . . . . .	84.65 cents.	91.38 cents.			6.73 cents.	7.36
Passenger train earnings per mile of road . .	\$2,672 68	\$3,005 27			\$332 59	11.07
Passenger train earnings per train mile . . .	91.28 cents.	97.22 cents.			5.94 cents.	6.11
Average number of passengers in each train .	45.12	52.00			6.88	13.23
Passenger car mileage . . . . .	10,745,166	11,877,993			1,132,827	9.55
Baggage, mail, express, and dining car mileage	8,888,622	9,050,355			161,733	1.79
Total mileage of passenger train cars . . . .	19,633,788	20,928,348			1,294,560	6.19
Average number of passengers in each passenger car . . . . .	15.83	17.56			1.73	9.85
Average number of passenger cars in train . .	2.64	2.77			.13	4.69
Average number of baggage, mail, express, and dining cars in train . . . . .	2.18	2.11	.07	3.32		
Average number of cars in each passenger train	4.82	4.88			.06	1.23

FOR THE YEARS ENDED JUNE 30TH, 1903 AND 1902.

FREIGHT.	1903	1902	INCREASE.		DECREASE.	
			Amount.	Per cent.	Amount.	Per cent.
Coal freight revenue . . . . .	\$10,104,764 40	\$9,328,959 09	\$775,805 31	8.32		
Miscellaneous freight revenue . . . . .	11,609,706 36	9,627,286 35	1,982,420 01	20.59		
Total freight revenue . . . . .	\$21,714,470 76	\$18,956,245 44	\$2,758,225 32	14.55		
Number tons miscellaneous freight carried . .	10,495,914	9,251,440	1,244,474	13.45		
Number tons coal carried . . . . .	9,424,218	8,923,446	500,772	5.61		
Total number tons carried, all revenue freight .	19,920,132	18,174,886	1,745,246	9.60		
Tons one mile, miscellaneous freight . . . . .	2,271,677,301	2,142,502,033	129,175,268	6.03		
Tons one mile, coal . . . . .	1,360,804,158	1,276,382,756	84,421,402	6.61		
Tons one mile, all revenue freight . . . . .	3,632,481,459	3,418,884,789	213,596,670	6.25		
Average distance carried, all revenue freight .	182.35 miles.	188.11 miles.			5.76 miles.	3.06
Average number of tons carried one mile per mile of road . . . . .	2,609,260	2,464,523	144,737	5.87		
Average revenue per ton, all revenue freight .	109.01 cents.	104.30 cents.	4.71 cents.	4.52		
Average revenue per ton per mile, all revenue freight . . . . .	.598 cent.	.554 cent.	.044 cent.	7.94		
Freight train mileage . . . . .	7,481,675	7,323,684	157,991	2.16		
Freight revenue per mile of road . . . . .	\$15,597 80	\$13,664 72	\$1,933 08	14.14		
Freight revenue per train mile . . . . .	\$2.9023	\$2.5883	\$0.3140	12.13		
Average number of tons in each train . . . . .	485.52	466.83	18.69	4.00		
Average number tons in each loaded car . . .	19.44	19.42	.02	.10		
Percentage of loaded cars in each freight train .	66.52	67.40			.88	1.30
ALL FREIGHT, INCLUDING COMPANY'S SUPPLIES.						
Number of tons carried . . . . .	21,640,593	19,996,581	1,644,012	8.22		
Number of tons carried one mile . . . . .	3,814,091,314	3,572,605,205	241,486,109	6.75		
Average distance carried . . . . .	176.25	178.66			2.41	1.34
Average number of tons in each train . . . . .	509.79	487.82	21.97	4.50		
Average number of tons in each loaded car . .	20.41	20.29	.12	.58		

## CONSOLIDATED BALANCE

TABLE 17.

Dr.

## LEHIGH VALLEY COAL COMPANY

ASSETS.		
PROPERTY AND PLANT . . . . .		\$16,219,994 58
TREASURY STOCK . . . . .		350,000 00
SECURITIES OWNED . . . . .		359,562 00
ADVANCES FOR COAL-MINING RIGHTS . . . . .		5,401,042 48
STOCK OF COAL ON HAND . . . . .		1,289,286 88
MATERIALS AND SUPPLIES . . . . .		248,368 23
CURRENT ASSETS :—		
Cash in hands of Treasurer . . . . .	\$1,260,615 15	
Cash in hands of Girard Trust Company, Com- mercial Agent . . . . .	29,503 52	
Cash in hands of agents . . . . .	40,100 00	
		\$1,330,218 67
Bills receivable . . . . .		65,155 93
Mortgages receivable . . . . .		25 00
Royalties due from lessees . . . . .		47,757 58
Due from companies and individuals . . . . .		3,660,451 50
		5,103,608 68
DEFERRED ASSETS :—		
Premiums on unexpired insurance and other deferred assets . . . . .		125,139 20
TRUSTEES OF SINKING FUNDS :—		
Cash and bonds in the hands of the Trustees . . . . .		712 008 51
TOTAL ASSETS . . . . .		\$29,809,010 56

SHEET OF JUNE 30TH, 1903.

AND AFFILIATED COAL COMPANIES.

Cr.

LIABILITIES.

CAPITAL STOCK . . . . .	\$2,400,000 00	
*FUNDED DEBT . . . . .	21,892,000 00	
		\$24,292,000 00
CURRENT LIABILITIES :—		
Audited vouchers . . . . .	\$608,722 72	
Wages due and unpaid . . . . .	247,846 35	
Sundry accounts payable . . . . .	1,042,202 63	
Royalties on coal mined and due lessors . . . . .	55,875 80	
Bond interest due and payable . . . . .	4,250 00	
Taxes due and payable . . . . .	33,641 44	
Bills payable . . . . .	20,000 00	
		2,012,538 94
DEFERRED AND SUSPENDED LIABILITIES :—		
Royalties received from lessees, not accrued . . . . .	\$74,237 30	
Interest on funded debt, accrued, not due . . . . .	380,633 33	
Taxes accrued, not due . . . . .	74,770 36	
Miscellaneous . . . . .	4,560 28	
		534,201 27
RESERVE ACCOUNTS :—		
Sinking funds and other reserves . . . . .		1,268,589 40
PROFIT AND LOSS . . . . .		1,701,680 95
TOTAL LIABILITIES . . . . .		\$29,809,010 56

\* \$8,322,000 is owned by the Company.





1903



